

DAILY REPORT

China

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RENMIN RIBAO VIEWS NUCLEAR DISARMAMENT PROPOSALS

HK050814 Beijing RENMIN RIBAO in Chinese 5 Jun 82 p 7

[Article by Fang Min [2455 2404]: "Two Diametrically-Opposed Nuclear Disarmament Schemes"]

[Text] The United States and the Soviet Union simultaneously announced that talks between them on "limiting and reducing strategic arms" would begin on 29 June. This is the first time since the summit meeting between the two countries in June 1979 that strategic arms negotiations have been put on their agenda. Prior to this, Reagan and Brezhnev each put forward his own nuclear disarmament scheme.

The scheme put forward by the United States calls for a "phased reduction of strategic arms." The Americans hold that at present the main threat is the ever-growing instability in the balance of nuclear forces, and so they advocate focusing efforts in nuclear disarmament on guided missiles "which are most prone to cause instability." They propose dividing nuclear strategic arms reductions into two phases. In the first phase, both sides would reduce the number of guided-missile warheads by one third, and warheads of land-based missiles would not exceed half the total number of guided-missile warheads, while the number of guided missiles themselves would not exceed half the current U.S. level. According to material recently released by U.S. officials, at present the Soviet Union and the United States each has 7,500 guided-missile warheads; after the reduction, each would have 5,000, of which 2,500 would be warheads of land-based missiles. In the second phase the focus would be on limiting the payload of the missiles of both sides and reducing it to lower than the present U.S. level. The United States has announced that by carrying out reductions in this way it would be possible to achieve stability in the balance of nuclear forces, eliminate the nuclear threat, and reduce the danger of nuclear war. However, the direction of this scheme is clear. This is because Soviet guided missiles, especially land-based, have more warheads and carry greater payload than those of the United States. Carrying out the reductions according to this scheme would require the Soviet Union to make the greater cuts. The Soviets have therefore attacked the scheme as "absolutely one-sided."

The Soviet scheme is completely different. The Soviet Union holds that at present there is parity between the two sides, and so, after the negotiations open, both sides should immediately discuss a freeze in the numbers of strategic arms, and then carry out reductions based on the principle of equality. The U.S. side points out that the aim of this freeze is to make the current Soviet superiority permanent.

From the two opposing U.S. and Soviet schemes it can be seen that each of them is fixing its eyes on the other and attempting to limit and weaken its opponent while avoiding damaging its own interests. At the time their fundamental differences of view on the strategic arms issue are apparent.

One of these differences concerns the question of how to view the strategic arms balance between the two. There have been many changes in the growth and decline of U.S. and Soviet strategic nuclear forces since the 1970's, and the Soviet Union has now caught up with or surpassed the United States in certain fields. Thus, Soviet propaganda to the effect that there is parity between the two in strategic forces and its demands for freezing the status quo are of course relatively beneficial for itself. At present, the Soviet Union possesses more strategic arms than the United States, and these include new-generation SS-17, SS-18 and SS-19 MIRV's. The number and striking power of these forces exceeds that of U.S. land-based missiles, and their accuracy is also constantly improving. If the status quo were frozen, the Soviet Union would be able to maintain its superiority over the United States in land-based missiles and pose a sustained threat to U.S. nuclear forces, and would also be aided in its bargaining in future negotiations with the United States.

The U.S. aim in stressing the imbalance of forces is to weaken the Soviet Union's strength in strategic weapons. U.S. strategic arms have been developed according to the "three-in-one" concept, that is, simultaneous development of land-based missiles, sea-based missiles and bombers. In the past 10 years, the number of U.S. strategic arms has remained at the original level, and the main effort has been devoted to improving their quality. Hence, the United States is ahead of the Soviet Union in nuclear arms technology, naval nuclear forces and cruise missiles. Despite this, the United States has not neglected the astonishing Soviet progress in land-based guided-missiles and in payload. The Soviet Union now enjoys a warhead advantage of 5,500 to 2,100 and a payload advantage of 3 to 1 over the United States in land-based missiles. The primary reason why the United States stresses the imbalance of forces and opposes a freeze of the status quo is that it is concentrating on cutting back Soviet superiority in land-based missiles, while there would be no hindrance to the United States itself continuing to develop nuclear technology.

Another important difference of view between the United States and the Soviet Union concerns the issue of SALT II. This treaty was signed by the heads of the two countries in June 1979, after 6 years of negotiations. The U.S. side has never ratified this treaty for two reasons: First, some people in the U.S. Congress oppose it, and second, after the Soviet invasion of Afghanistan, Congress suspended examination and debate on the treaty. The treaty has thus been deadlocked for a long time. The Reagan administration has consistently adopted a negative attitude toward the treaty, holding that it contains "mortal defects" and does the United States great harm and little good. U.S. officials recently further pointed out that were the treaty to be ratified, it would mean making the Soviet Union's very important superiority permanent by legal means. They also clearly stated that the treaty was a thing of the past, and could not be regarded as a basis for negotiations. The Soviet Union is very fond of the treaty and has repeatedly urged the United States to ratify it. Brezhnev recently stressed again that the negotiations could not start without a foundation, and "it is essential to preserve all the positive results gained previously." In this he was evidently intending to carry out the negotiations on the basis of SALT II and bind the United States by certain limits in the treaty.

Originally this treaty was a product of the mutual rivalry and mutual compromise between the United States and the Soviet Union at the time. Under the name of "limitations," it actually opens a convenient door for the two superpowers to engage in a new contest in the quality of strategic arms. For instance, according to the provisions of the treaty, the United States and the Soviet Union can each possess 1,320 multiple-warhead missiles and bombers carrying cruise missiles, each land-based missile can have 10 warheads and each sea-based missile can have 14. At that time, the numbers of land-based and sea-based multiple-warhead missiles possessed by both countries were lower than permitted by the treaty, while cruise missiles had not yet been installed in bombers. Hence, the treaty left ample leeway for both sides to further increase and improve their multiple-warhead nuclear weapons, while the Soviet Union could go even further in developing powerful new land-based multiple-warhead guided missiles, doubling the total number of its warheads.

The main reason for the emergence of differences of view between the United States and the Soviet Union over SALT II is that the Soviet Union wants to continue making use of the treaty to develop its own strong points, while the United States is attempting to throw out the treaty and draw up new criteria for numbers and destructive capacity of strategic arms of all types, in order to restrict its opponent.

At present the two superpowers, each proceeding from its own requirements, have agreed to reopen the negotiations. The Soviet Union intends to use the negotiations as a forum for gaining propaganda advantage, and also to pin down the United States and strive to revive the so-called "detente" policy. The United States on the other hand intends to change its hard stand on the nuclear disarmament issue and grasp "disarmament" and "negotiations" to counter the Soviet "peace offensive," mitigate antinuclear feelings at home and abroad, and also come out with the slogan "Big reductions in strategic arms" before Reagan visits Western Europe for two summit meetings, in a bid to win the support of the countries of Western Europe. However, judging by the viewpoints the two sides maintain, the U.S.-Soviet negotiations on reducing strategic nuclear arms will be extremely difficult and protracted.

ISSUES, PROBLEMS OF VERSAILLES SUMMIT VIEWED

Radio Commentary

OW050749 Beijing Domestic Service in Mandarin 1100 GMT 3 Jun 82

[Commentary from the "International Current Events" program: "The Summit Conference of Seven Western Nations Is Full of Contradictions"]

[Excerpts] A summit conference of seven Western nations -- the United States, Britain, France, West Germany, Italy, Canada and Japan -- is slated to be held 4-6 June at the Versailles Palace in suburban Paris. This is a series of annual meetings which began in 1975. The one to be opened on 4 June is the eighth session, which, as usual, will discuss economic issues as the main theme.

The forthcoming session of the seven-nation summit conference will discuss the so-called "common strategy," aimed at eliminating the economic crisis in the Western capitalist world. It will also seek to coordinate the stands of these nations and find ways to solve their contradictions. To this end, leaders of these Western industrial nations have recently been busy making contacts and consultations. As can be seen from what has been discussed in these contacts, the high U.S. interest rate and the conflicts in Japan's trade with the United States and West European countries will be among the subjects hotly debated at the session.

The U.S. high interest rate policy has greatly boosted the value of the U.S. dollar and devalued West European currencies, resulting in a considerable outflow of funds, a reduction in domestic investment and a greater unemployment rate in Western Europe. This has fueled the economic recession of the West European countries. Although some West European countries have also raised their interest rates to protect their own currencies, this measure has increased the burden on domestic enterprises. As a result, many enterprises have gone bankrupt. Because of this, the U.S. high interest rate policy has been criticized time and again by West European leaders.

The conflicts in Japan's trade with the United States and Western Europe have been long disputed among Western nations. In recent years Japan has enjoyed an extremely favorable balance of payments in its trade with the United States and West European countries. With the economic recession in the United States and West European countries and the difficulties they face in selling their own products, large quantities of Japanese cars, tape recorders and other products have poured into the American and West European markets. This has evoked the deep dissatisfaction of the United States and West European countries, which have strongly asked Japan to cut down its exports and to open up a better market for American and West European products. To alleviate its trade conflicts with the United States and Western Europe, the Japanese Government has this year announced the reduction of customs duties on some imported products. On the eve of this session of the seven-nation summit conference, it has made another announcement on the reduction of import duties on more than 200 kinds of commodities. However, these measures, even in the opinion of the Japanese press, cannot radically solve Japan's trade conflicts with the United States and Western Europe. A dispute on this issue is expected at the forthcoming session of the seven-nation summit conference.

Aside from the above, the United States and the West European countries, though both regard Japan as a trade opponent, have sharp conflicts of interest in regard to their own trade in steel and agricultural produce.

According to the original plan, the seven-nation summit conference was to be a meeting to discuss economic matters among Western countries. With the increasingly tense international situation, the last few sessions of this conference have unavoidably discussed major political issues. Since the forthcoming session is to be held under circumstances where Western nations are confronted with serious political and economic issues, it is expected that one of the subjects to be discussed will be Western policy toward the Soviet Union.

Although West European countries hold the same stand as the United States in the general orientation of restricting Soviet hegemonic expansion, their views and actions on certain specific issues differ from those of the United States because of their different situations. Take economic relations with the Soviet Union as an example. In late 1981 the United States held that the Soviet Union should bear heavy and direct responsibility for the Polish situation; thus, it decided to impose economic sanctions on the Soviet Union. Despite their support for this U.S. policy, West European countries continued to develop their economic and trade relations with the Soviet Union. The U.S. request that Western Europe stop its cooperation with the Soviet Union in the gas pipeline project met with no response. Regarding the U.S. request for Western Europe's cooperation in reducing trade with the Soviet Union, some West European countries took a hesitant attitude.

Now, prior to the forthcoming session of the conference, the Western nations have stepped up consultations as a preliminary step to coordinate their policies in dealing with the Soviet Union. Touching on this matter on 9 May, U.S. President Reagan said: We recognize that the economic needs of some allies are different from ours, but in no way should we let the Soviet Union obtain Western technology for military purposes; nor should we help the Soviet economy. However, West European countries do not approve of some of the opinions held by the United States.

The forthcoming session of the conference is to be held at a time when Britain and Argentina are involved in a severe military conflict over the issue of the Malvinas Islands. Even though the issue is not the main theme for this session, the recent development of the war will affect the British attitude at the session and will probably have an influence on the outcome of the session.

In addition, major differences exist among these countries with regard to their views toward the Third World.

Now the session of the seven-nation summit conference is to be held. Western public opinion is not optimistic that this session will alleviate contradictions. In a recent editorial, the French paper LE MATIN asks people not to cherish any illusion about this session and not to think that it will perform a miracle. A recent AP report predicts that the session will not issue any official communique and will end with a brief statement that covers up, rather than eliminates, differences.

RENMIN RIBAO Article

HK060237 Beijing RENMIN RIBAO in Chinese 5 Jun 82 p 7

["Economic Jottings" by Gu Jin [6253 3160]: "The Dollar -- Top Issue at the Versailles Meeting"]

[Text] A top issue at the economic summit of seven Western countries is the current U.S. Government laissez-faire policy of allowing the dollar value to rise. This business has brought to the point of white heat the friction between Washington and its Western allies.

From the day Reagan took office in early 1981, the dollar has risen in value by 30 to 50 percent against the currencies of the major Western industrialized countries. As the dollar has risen sharply, the currency of other countries has declined in value, and the high U.S. interest rates have been the main reason for this. The high U.S. interest rates attract foreign investors, who rush to buy dollars in order to reap big profits. This has thrown the international money and trade markets into great confusion. Many Western countries have had to resort to high interest rates themselves as a countermeasure, in order to stabilize their currencies and prevent a flight of capital. As a result the economic recovery they had expected has been wrecked by the universal high interest rates.

At the last economic summit, leaders of the countries of Western Europe fiercely argued with President Reagan over the harm caused by high U.S. interest rates. In the past 1 year, as Washington has gone on sticking to its old ways and maintained its original policy, the economy of the Western countries has continued to be enveloped in gloom. Hence, according to reports, the Western European countries and Japan will take tougher and more forceful joint action at the current summit. They will demand that the U.S. Government change its course and adopt a more cooperative attitude. The French Government has already drafted a scheme and is striving to gain the support of other Western countries. This scheme demands that the Reagan administration allow the dollar to float within a comparatively narrow range, so as to alleviate the dramatic turbulence on the world money market in the past 2 years.

However, the main reason for the rise of the dollar and the high U.S. interest rates is that the Reagan administration is on the one hand instituting large tax cuts in order to stimulate the economy, resulting in a massive budget deficit, while on the other it wants to reduce the money supply and credit in order to curb inflation. As a result both the government and the private enterprises have to raise funds on the market, the supply of dollars cannot meet demand, and the U.S. interest rate rises sharply. Hence, unless the Washington authorities change their economic policy, the problems of high interest rates and big fluctuations in the value of the dollar cannot be fundamentally solved.

It appears that the United States will not change its basic economic strategy at this summit meeting. Marc Leland, Treasury Department assistant secretary for international affairs, has already resolutely denied that the United States should be responsible for the economic problems that have appeared in Western Europe. Department Under Secretary Sprinkel has declared that the United States will try to mitigate the friction between itself and its partners, under the premise of making no changes in basic policy. As for the proposal the French Government has decided to propose, it is said that the Washington authorities will give it little consideration.

In view of the fact that it is difficult to solve quickly the sharp economic contradictions in the West, a number of influential newspapers and publications in Western Europe have suggested that the leaders of Western Europe and Japan should take a new strategy toward the United States, that is, to closely link the economic problems that have appeared with the political and military problems, to help persuade President Reagan to give way on the issues of curbing the rise in value of the dollar and lowering the high U.S. interest rates. This would give the countries of Western Europe and Japan a breathing spell. But it is hard to predict how things will turn out.

CHEN MUHUA MEETS UNESCO SPECIALISTS DELEGATION

OW031552 Beijing XINHUA in English 1515 GMT 3 Jun 82

[Text] Beijing, June 3 (XINHUA) -- Chinese State Councillor Chen Muhua met in Zhongnanhai this afternoon with a UNESCO's specialists delegation led by Professor A.J. Birch, president of Academy of Science of Australia.

Chen Muhua had a conversation with Professor Birch and Professor R. MacDonald at the International Law School of Dalhousie University of Canada on furthering the cooperation between China and UNESCO. Gao Yi, advisor to the Ministry of Education and chairman of the Chinese National Commission for UNESCO, was present.

The delegation arrived in Beijing May 15.

DELEGATIONS ARRIVE FOR UN SPECIAL SESSION

Huang Hua Arrives

OW051908 Beijing XINHUA in English 1851 GMT 5 Jun 82

[Text] New York, June 5 (XINHUA) -- Leader of the Chinese Government delegation, Huang Hua, arrived here by plane from Tokyo this morning to attend the second special session of the United Nations General Assembly on disarmament scheduled for June 7.

Huang Hua, who is state councillor and minister of foreign affairs, was greeted at the Kennedy airport by Ling Qing and Kang Maozhao, deputy leaders of the Chinese Government delegation, and Cao Guisheng, consul-general of the People's Republic of China in New York. Also present at the airport were Thiounn Prasith, permanent representative of Democratic Kampuchea to the U.N. Zi Jilong, under-secretary-general, and Ali I. Teymour, chief of protocol of the U.N. were also present.

Other members of the Chinese Government delegation arrived in New York from Beijing on June 2nd.

DK's Ieng Sary Arrives

OW060230 Beijing XINHUA in English 0106 GMT 6 Jun 82

[Text] United Nations, June 5 (XINHUA) -- Ieng Sary, leader of the government delegation and deputy prime minister in charge of foreign affairs of Democratic Kampuchea, arrived in New York this afternoon to attend the second special session of the United Nations General Assembly on disarmament scheduled for June 7.

He was greeted at the airport by Thiounn Prasith, permanent representative of Democratic Kampuchea to the U.N.; and Ling Qing and Kan Maozhao, deputy leaders of the Chinese Government delegation.

FURTHER REPORTS ON VISIT OF U.S. SENATOR BAKER

Shanghai Reception

OW051534 Beijing XINHUA in English 1520 GMT 5 Jun 82

[Text] Shanghai, June 5 (XINHUA) -- Joseph J. Borich, acting head of the U.S. Consulate-General in Shanghai, gave a reception here this afternoon for Senate Majority Leader Howard H. Baker, Jr. and Mrs Baker upon their visit to Shanghai. Present at the reception were Zhang Chengzong, vice-chairman of the Standing Committee of the Shanghai Municipal People's Congress; and Zeng Tao, deputy secretary-general of the Standing Committee of the National People's Congress, who accompanied the American guests from Beijing for the visit. Also present at the reception were U.S. Ambassador to China Arthur W. Hummel, Jr. and Mrs Hummel, who flew from Beijing to Shanghai this afternoon for the reception.

This afternoon, Senator Baker and his party visited the navy units of the East China Sea Fleet of the Chinese People's Liberation Army naval forces based in Shanghai. Baker, in the company of Su Rong, deputy commander of the navy units, also visited various naval vessels designed and made in China.

Arrival in Xian

OW061302 Beijing XINHUA in English 1256 GMT 6 Jun 82

[Text] Xian, June 6 (XINHUA) -- U.S. Senate Majority Leader Howard H. Baker, Jr., Mrs Baker and their party arrived here from Shanghai by special plane this morning in the company of Zeng Tao, deputy secretary-general of the Standing Committee of the National People's Congress. U.S. Ambassador to China Arthur W. Hummel, Jr. and his wife are on the same trip.

The guests were greeted at the airport by Chang Lifu, vice-chairman of the Standing Committee of the Shaanxi Provincial People's Congress. The Standing Committee of the Shaanxi Provincial People's Congress gave a banquet here this evening in honor of the guests. Senator Baker and his party visited a museum displaying hundreds of life-sized terra-cotta horses and armored warriors, dating over 2,000 years.

U.S. UNEMPLOYMENT RATE REACHES POSTWAR HIGH

OW050436 Beijing XINHUA in English 0249 GMT 5 Jun 82

[Text] Washington, June 4 (XINHUA) -- Unemployment in the U.S. soared to 9.5 percent in May, a new postwar high, with 10.5 million people out of work, the Department of Labor announced today. Unemployment has been worsening since early this year. It reached 9 percent in March, matching the postwar recession peak of May 1975, and then climbed to 9.4 percent in April. Since last July, about 2.7 million Americans have lost their jobs as a result of the deepening recession.

The overall black unemployment was 18.7 percent in May, with one out of every two black teen-age males out of work -- another all-time high. Joblessness among adult males jumped to 8.4 percent, still another new record.

The economy will stage a recovery during the second half of the year, budget Director David Stockman said today, adding, "I don't think anybody has grounds for saying unemployment is going to drop rapidly and suddenly."

Members of the Congressional Joint Economic Committee scoffed at any faint signs of improvement of the country's unemployment situation. Representative Henry Reuss, the panel's chairman, described the May report as "a catastrophic unemployment rate." Meanwhile, labor groups were concerned about the dim picture of unemployment. AFL-CIO President Lane Kirkland said, "The millions of adults who are out of work are now joined by millions of youth seeking summer employment".

FURTHER MATERIALS ON ZHAO ZIYANG'S JAPAN VISIT

Meeting With Chinese

OW042128 Beijing in Mandarin to Southeast Asia 0900 GMT 3 Jun 82

[Text] Premier Zhao Ziyang met with representatives of Chinese residents in Japan at the guesthouse in Tokyo on the morning of 3 June. When Zhao Ziyang entered the meeting hall, the more than 100 Overseas Chinese waiting to meet with him warmly applauded him. A little girl presented him with a bunch of flowers. The Overseas Chinese stood around Zhao Ziyang and cordially chatted with him.

On behalf of the people of the motherland, Zhao Ziyang extended greetings to the Overseas Chinese. He said: Chinese nationals residing in Japan have a glorious tradition. Beginning from the time of the society of common cause led by Dr Sun Yat-sen, they have made tremendous contributions to the motherland in all historical stages of the Chinese revolution. He said: The people of the motherland are grateful to you.

Zhao Ziyang told the Overseas Chinese: The friendly and cooperative relations between China and Japan have developed very smoothly over the past decade; this cannot be separated from your efforts in this regard. The Chinese nationals in Japan have lived in harmony with the Japanese people, thus promoting the friendly relations between the people of the two countries. Zhao Ziyang said: The most difficult time for our country has passed, and now the situation is good. A rejuvenated China will emerge by the 1990's.

The Chinese nationals residing in Japan who met with Zhao Ziyang came from various parts of Japan; they included (Zhang Wenfang), president of the Overseas Chinese Association in Tokyo, and (Liu Qisheng), president of the Taiwan People's Association in Japan.

Zhao Ziyang also met with 50 representatives of Chinese students studying in Japan on the morning of 3 June.

NHK Interview in Osaka

OW041425 Tokyo NHK Television Network in Japanese 1200 GMT 4 Jun 82

[Interview with PRC Premier Zhao Ziyang by NHK announcer Taro Kimura, in Osaka on 4 June -- recorded; Kimura asks questions in Japanese and Zhao answers in Mandarin, with abridged Japanese translations of Zhao's answers provided in subtitles; Zhao's answers translated from Mandarin]

[Text] [Question] Your Excellency Premier, during your visit this time, you took time out to have a ride in the subway and look around in a shopping center, thus taking a personal look at the ordinary citizens' life in Japan. What was your impression?

[Answer] This is the first time I have come to visit your country, and I am very happily impressed. Not only have I seen Japan's beautiful natural scenery, but I have witnessed the very great achievements of the intelligent and industrious Japanese people in construction. Especially, wherever we go, it can be said that we find ourselves in an extremely friendly and cordial atmosphere, and this has impressed me even more.

[Question] The Japanese people are interested in what is going on in China. Particularly, we are most interested in China's new constitution. Under the new constitution, I understand that the people's communes will cease to exist; then, how will this affect the livelihood of the 800 million people involved? We are very much interested in future development in this area.

[Answer] I think the correct interpretation of the passage on the people's communes in our draft revised constitution is that government administration will be separated from commune management, not that the people's communes will be abolished. Government administration and commune management will be separated. As you know, in the past our government administration and commune management have been integrated, which has been found after some 20 years to have some negative effects. After the separation of government administration and commune management, we shall restore the townships and villages in the rural areas, the political powers at the township and village levels. As to the people's communes representing that China's countryside will take the road toward collectivization and cooperation, this is a principle which will not change. Of course, their forms may be varied. The forms of collectivization may be varied. On this, we shall in the years to come watch closely for creations by the masses in practice.

[Question] I assume that private ownership of land will not yet be allowed, will it?

[Answer] Farmland in China is not privately owned. However, various systems of responsibility will be practiced. There will be many forms of management. But land cannot be sold or bought.

[Question] I understand that a new military commission will be created as part of the government to control the armed forces. Then, what will be the relationship between the military commission of the party and that of the government?

[Answer] The new draft revised constitution stipulates that from now on our country's armed forces will be commanded and led by the state military commission. However, our new constitution also stipulates that according to China's basic state and leadership system, the state is under the leadership of the Chinese Communist Party. The army is an important component of the state. Therefore, on important ideological and policy matters, the army will continue to accept the leadership of the Communist Party. However, the party Central Committee and its Military Commission will not interfere in the day-to-day work of the state military commission. So I think there is no contradiction.

[Question] Do you mean that the Military Commission of the party will continue to exist?

[Answer] The question has not yet arisen as to whether the party's Military Commission should be abolished. The question will have to be resolved at the party Central Committee's 12th national congress [as heard].

[Question] My next question is about China's foreign policy. You made some very severe comments on Sino-Soviet relations. To Mr Brezhnev's Tashkent speech, however, China responded by saying it "acknowledges" his proposal -- if the translation is correct. I think that it was a relatively soft reaction. Furthermore, I understand that China is now promoting various studies about the Soviet Union. Do you think that Sino-Soviet relations will continue to be as strained in the future as it is now?

[Answer] Sino-Soviet relations are not good. There are major differences in principle between China and the Soviet Union. The main cause is the hegemonist policies pursued by the Soviet Union. Chairman Brezhnev not long ago said that he wanted to improve Sino-Soviet relations. On this question, as I said in Beijing to some Japanese journalist friends, we attach greater importance to Soviet actions. At present, there is no indication whatsoever which shows that the Soviet Union is willing to change its hegemonist policies. There is no such indication. If they only talk about their willingness to improve relations but take no concrete action, how can we tell whether they are sincere in their peace proposals? Of course, there are diplomatic relations, trade and personnel exchanges between China and the Soviet Union. These relations exist now and will continue in future. As to the economic and other fields of studies carried on by the academic organizations and research institutes, perhaps all countries are to be studied by them. I think this is the academic organizations' own business.

[Question] As regards those Japanese orphans who grew up in China, people in Japan are very much worried about them. The Japanese people are very grateful indeed to the Chinese Government for the many things it has done for them. There seems to be a great deal of difficulty in finding their real parents for them. Do you have any good ideas?

[Answer] The Chinese Government and the foster parents of the Japanese orphans in China are both concerned about the Japanese orphans. In the past few years, some Japanese orphans have found their relatives in Japan. This is a very good thing. In the spirit of Sino-Japanese friendship and humanitarianism, the Chinese Government is willing to have good consultations with the Japanese Government and will continue to help the Japanese orphans find their relatives.

[Question] In conclusion, tens of millions of people are watching this program. If you have anything to say in person to them, would you say it now?

[Answer] There are now very good relations between China and Japan. Our friendship and cooperation are very good in all fields. As Chinese premier, I want to say that my mission is to make the friendly relations and cooperation between the two countries become more stable and long-lasting in the 1980's. During my visit in Japan I have received the Japanese people's warm welcome. I want again to express my deep gratitude, my good wishes to the Japanese people. I wish that the Chinese and Japanese people will remain friendly generation after generation.

[Chinese and Japanese voices] Thank you.

Nara Tour, Luncheon

OW041654 Beijing XINHUA in English 1637 GMT 4 Jun 82

[Text] Nara, Jun 4 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang and his party arrived here from Osaka this morning and visited Japanese Buddhist temples, other historical sites and beauty spots in Nara, west of Tokyo.

Premier Zhao was welcomed at the gate of the Toshodai Temple by Japanese Reverend Kojun Morimoto. He told the Chinese premier about the history of the temple where the statue of Chinese priest Jian Zhen is enshrined.

Rev. Morimoto said the Toshodai Temple was built after the model of Chinese temples. Chinese priest Jian Zhen spent his last five years in the Japanese time-honored temple, he added. He said priest Jian Zhen, who came to Japan in the 8th century on a Buddhist mission, contributed to Sino-Japanese friendship and Japanese culture.

Premier Zhao told Rev. Morimoto, "You have also done much useful work for Sino-Japanese friendship and cultural exchanges between the two countries. The Sino-Japanese friendship should be promoted continuously."

Accompanied by Rev. Kojun Morimoto, Premier Zhao Ziyang paid homage to a mural of Jian Zhen by famous Japanese painter Kai Higashiyama who spent 12 years on it. The mural is now one of the art treasures of Japan.

While visiting the mausoleum of the famed Chinese priest, Kojun Morimoto told the Chinese premier that all the stones used for its construction had been shipped here from China. At the front of the mausoleum, Premier Zhao planted a sapling of the classic Chinese tree "qionghua" which had been brought here from the Chinese city of Yangzhou, the hometown of Jian Zhen.

At the Todai Temple in Nara, the head of the temple told Premier Zhao the 17-metre-high Buddhas in the Buddhas hall were moulded 700 years ago. They are state treasures of Japan. The host said Jian Zhen lived at the Todai Temple when he first came to Japan.

Premier Zhao and his party were accorded warm welcome by local people wherever they went in Nara. As the motorcade carrying the Chinese premier drove past the Nara government house and the chamber of commerce and industry, many well-wishers greeted the Chinese guests by waving miniatures of the national flags of China and Japan.

Premier Zhao was honoured to a luncheon hosted jointly by Governor of Nara Prefecture Shigekiyo Ueda, Mayor of Nara Hiromu Kiyama and President of the Nara Chamber of Commerce and Industry Muichi Kobayashi. In his toast at the luncheon, Ueda said: "Nara forged friendly relations with China some 1,300 years ago. The temples of Toshodai and Todai are vivid evidence." In reply, Premier Zhao said: "Nakamaro Abe had lived in Changan for a long time and Jian Zhen had sailed across the sea to Japan for six times, making outstanding contributions to the cultural exchanges between the two countries."

"Looking into the future," Zhao went on to say, "I firmly believe that the traditional Sino-Japanese friendship, as represented by Chinese priest Jian Zhen and Nakamaro Abe, will continue to grow with each passing day."

Prior to the luncheon, Premier Zhao met with Ueda, Kiyama and Kobayashi. The hosts and guests had a cordial and friendly conversation.

Arrival in Kyoto

OW041900 Beijing XINHUA in English 1847 GMT 4 Jun 82

[Text] Kyoto, June 4 (XINHUA) -- Chinese Premier Zhao Ziyang visited famous historical sites -- the Nijo Castle and the Kiyomizu Buddhist Temple -- and a peasant family here this afternoon.

Upon their arrival in Kyoto, Zhao and his party were greeted at the station by some 300 people who waved small flags of Japan and China and cheered, "Welcome, Premier Zhao!"

Accompanied by the head of the office in charge of the Nijo Castle Junichiro Doi, the Chinese premier toured the famous historical site built in the Edo era. Zhao examined carefully the artistic structure inside the castle and asked about its history.

As Premier Zhao came to the courtyard of the castle, Doi said: We received Vice-Premier Deng Xiaoping in this place four years ago, and Vice-Chairman of the National People's Congree Standing Committee Deng Yingchao three years ago. Now we feel very proud to receive you, Premier Zhao, in the same place this year.

The Chinese guests were offered Japanese tea in a traditional way by Shoshitsu Shen and his wife on the lawn at Koun Pavilion.

At the Kiyomizu Buddhist Temple of great renown, Premier Zhao was welcomed by 108-year-old Abbot Ryokei Onishi sitting on a wheel-chair. Zhao said to Onishi humorously: "How happy we are to have the luck to see you, a symbol of longevity!" Abbot Ryokei Onishi presented a wall panel with his inscription to Premier Zhao as a souvenir.

Premier Zhao Ziyang and his party came to Yamashina in Kyoto to see how a young peasant Bushi Morida ploughed the field and transplanted rice shoots with machines. Premier Zhao asked the leader of the local agricultural organization about the life and work of the Japanese peasants. He also visited an exhibition of agricultural machines specially arranged by the Iseki agricultural machinery corporation. Vice-director of the corporation presented a tractor and a rice transplanter to Premier Zhao to show his welcome.

4 Jun Banquet in Kyoto

OW041638 Beijing XINHUA in English 1626 GMT 4 Jun 82

[Text] Kyoto, June 4 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang declared here this evening that the Chinese people will follow the teaching of Premier Zhou Enlai to make joint efforts with the Japanese people to carry on the friendly cooperation between China and Japan.

The Chinese premier was speaking at a banquet in his honor given by the governor of Kyoto Prefecture, mayor of Kyoto and the president of the Kyoto Chamber of Commerce and Industry in the Miyako Hotel.

He said: "At a time when both Chinese and Japanese people are joyfully celebrating the tenth anniversary of the normalization of relations between the two countries, I have the pleasure to visit Kyoto, a city with an ancient culture and a history of friendly contacts with China for more than 1,000 years."

He noted: "Kyoto is known in China for its long standing cultural tradition and beautiful scenery, where the Chinese people's beloved Premier Zhou Enlai had left us a brilliant poem." "Tomorrow, I will tour Mount Arashi and pay my tribute to the memorial poet tablet built by the Kyoto residents in memory of the late Chinese premier," he said.

Proposing a toast at the banquet, Governor of Kyoto Prefecture Yukio Hayashida said that no force on earth can check the trend of friendship between Japan and China. Kyoto and China's Xian have become sister cities. They will continue to serve as a great link in promoting the prosperity and lasting peace between the two countries.

Zhao Ziyang and his party arrived here from Osaka via Nara this morning.

At noon, Zhao Ziyang was guest at a luncheon given by the governor of Nara Prefecture, the mayor of Nara and the president of the Nara Chamber of Commerce and Industry. Hosts and guests reviewed the friendly contacts between Nara and China in ancient times. They hoped that the Sino-Japanese friendly relations will continue to develop rapidly.

Tour of Kyoto

OW050830 Beijing XINJUA in English 0818 GMT 4 Jun 82

[Text] Kyoto, June 5 (XINHUA) -- Chinese Premier Zhao Ziyang arrived here this morning in pursuance of his Japan tour. The premier and his entourage visited the Katsura Imperial Villa built in 1620, and expressed deep appreciation for its traditional architecture and fine scenery.

He also paid a visit to a hand printing and dyeing (known in Japan as Yuzen) company. The Yuzen, a traditional method of dyeing fabrics, was developed from wax printing introduced from China more than 1300 years ago.

When Zhao Ziyang and his entourage arrived at Mount Arashi, also a scenic spot and where the rock on which was engraved a poem by Premier Zhou Enlai was located, he was given a warm welcome. He laid a bouquet before the rock and said, "The Chinese people will follow the teachings of the late Premier Zhou Enlai and work with the Japanese people to make the friendly ties between the people of the two countries last from generation to generation."

Before leaving Kyoto Zhao Ziyang told newsmen, "The Kansai region reflects the level of economic and technological development of Japan. It also gives expression to the long historical traditions of the Japanese people."

Departure from Japan

OW050838 Beijing XINHUA in English 0822 GMT 5 Jun 82

[Text] Osaka, Japan, June 5 (XINHUA) -- Chinese Premier Zhao Ziyang left here for home this afternoon upon concluding his six-day fruitful visit to Japan.

He drove here from Kyoto where he told newsmen, "my visit to Japan is successful. I am leaving this beautiful land, carrying with me the friendly feelings of the Japanese people for the Chinese people."

"During the visit," he said, "I had fruitful talks with Prime Minister Zenko Suzuki and met with Japanese friends from various circles and saw the people. I felt deeply that Sino-Japanese friendship has taken root in the hearts of the people." He took the opportunity to give his regards to the Japanese newsmen. Today Chinese and Japanese national flags were fluttering over Osaka airport where more than 100 Japanese friends and Chinese residents gathered to bid farewell to the Chinese premier and his entourage. At the entrance of his plane Zhao Ziyang waved at the applauding crowd.

Seiya Nishida, head of the suite of honor and chief of protocol of the Japanese Foreign Ministry; Yasue Katori, Japanese ambassador to China; Song Zhiguang, Chinese ambassador to Japan; and Wang Zhifan, Chinese consul-general in Osaka; were among those who saw the Chinese premier off.

Arrival in Beijing

OW051308 Beijing XINHUA in English 1302 GMT 5 Jun 82

[Text] Beijing, June 5 (XINHUA) -- Zhao Ziyang, premier of the State Council, wound up his official visit to Japan and returned to Beijing by special plane this afternoon. He was greeted at the airport by Vice-Premier Wan Li, State Councillor Gu Mu and Secretary-General of the State Council Du Xingyuan, who congratulated Premier Zhao on his successful visit to Japan.

Koji Watanabe, charge d'affaires ad interim of the Japanese Embassy here, was also on hand.

Zhang Jingfu, state councillor and minister in charge of the State Economic Commission, who accompanied the premier on his Japan visit, returned by the same plane. Huang Hua, State Councillor and minister of foreign affairs, left Tokyo for New York this morning to head the Chinese Government delegation at the second special session of the U.N. General Assembly on disarmament.

Thank You to Suzuki

OW060814 Beijing XINHUA in English 0807 GMT 6 Jun 82

[Text] Tokyo, June 5 (XINHUA) -- On his way home after winding up his official visit to Japan today, Premier Zhao Ziyang of the State Council of the People's Republic of China sent a message from his plane to Japanese Prime Minister Zenko Suzuki, expressing heart-felt thanks for the warm welcome and hospitality accorded him by the prime minister and the Japanese Government. Premier Zhao's message reads:

"Upon the conclusion of our official visit to your country, please allow me to express once again my heart-felt thanks to Your Excellency and the Japanese Government for the warm welcome and hospitality accorded me. Thanks to Your Excellency's kind arrangements and sincere cooperation, this visit has gained full success, deepened the mutual understanding and trust between us and promoted the consolidation and development of our two countries' relations of friendship and cooperation. I am earnestly looking forward to meeting Your Excellency in Beijing next September."

Editorial on Relations

HK060710 Beijing RNEMIN RIBAO in Chinese 6 Jun 82 p 1

[Editorial: "China and Japan Will Develop Longstanding, Stable and Friendly Relations of Cooperation"]

[Text] Chinese State Council Premier Zhao Ziyang, who paid a 6-day official visit to Japan at the invitation of Japanese Premier Zenko Suzuki and the Japanese Government, returned to Beijing yesterday bringing with him the profound friendship of the Japanese people. During his visit, Premier Zhao Ziyang held wide-ranging talks with Premier Suzuki. The two sides exchanged views in a sincere and constructive way on the international situation, which is of common concern to them, and on bilateral relations. They reached identical views on many important issues. During the talks, Premier Zhao put forward the three-point principle of peace and friendship, equality and mutual benefit, and duration and stability for developing economic relations between the two countries, and this met with a positive response from Premier Suzuki and the Japanese Government. This will be of far-reaching significance in further consolidating and developing the friendly relations of cooperation between the two countries in the coming decade and even longer.

The two leaders held that the current international situation has become ever more tense and turbulent. They had an exchange of views on the Asian situation, the Kampuchean and Afghanistan issues, the relations with the United States and the Soviet Union, the summit meeting of the seven Western industrialized countries, and the North-South relations. The two leaders were satisfied with the roles played by China and Japan in international affairs. They affirmed that China and Japan, proceeding from their own respective positions, should continue to work with other peace-loving countries and safeguarding peace and stability in Asia and the world as a whole. The two sides shared the same view that to consolidate and develop the friendly relations and cooperation between China and Japan under the current turbulent and changeable international situation is of special significance.

The leaders of the two countries reviewed with satisfaction the great achievements made in the past ten years. They are fully confident of the consolidation and development of bilateral friendly relations and of cooperation in the future. The remarks made by Premier Zhao that China and Japan have the superiority of timeliness, topographical advantages and support of the people in developing friendly cooperative ties have won comprehensive understanding and warm welcome from the Japanese Government leaders and people of all circles.

Premier Zhao gave an account of China's internal situation, pointing out that China is pursuing a correct line, its society is stable, its policies are steady and its leading body is united. After readjustment, China's economy has been on the road of steady development. After the realization of the Sixth 5-Year Plan, the national economy will develop more quickly during the period of the Seventh 5-Year Plan, and the last decade of this century will probably be a period of new vigorous development. The present open-door policy pursued by China will not change. It will be long carried out to maintain its stability and continuity. Prime Minister Zenko Suzuki indicated that Japan welcomes the Chinese policy to realize four modernizations and will continue to cooperate with China in its economic construction. Proceeding from the needs of Japan, the Japanese Government and people concerned maintain that there are bright prospects for the further development of friendly relations and economic cooperation between the two countries. The leaders of both countries believe that a lasting and stable system of economic cooperation to be established between the two countries on the basis of the above-mentioned three-point principle and through the joint efforts of both sides will conform to the fundamental interests of the Chinese and Japanese peoples and be conducive to the maintenance of peace in Asia and the rest of the world.

There has existed a traditional friendship between Japan and China for 2,000 years. When the Chinese and Japanese people were joyously celebrating the 10th anniversary of the normalization of diplomatic relations between the two countries, Premier Zhao was accorded warm hospitality in Japan by the ruling and opposition parties and achieved complete successes during the visit. We are looking forward enthusiastically to a visit by Prime Minister Zenko Suzuki to China this fall. We firmly believe that the exchange of visits by the prime ministers of the two countries will surely help to push the cause of Sino-Japanese friendship and cooperation to a new high.

SIHANOUK MESSAGE ON KAMPUCHEAN COALITION CITED

OW051620 Beijing XINHUA in English 1609 GMT 5 Jun 82

[Text] Beijing, June 5 (XINHUA) -- Samdech Norodom Sihanouk has stressed that the three Kampuchean parties should mainly depend on their own strength to realize their coalition.

In a message to Khieu Samphan, president of the Presidium of State of Democratic Kampuchea, yesterday, Sihanouk thanked him for his May 30 message in which Khieu Samphan supported Sihanouk's proposal on the convention of a new summit of the presidents of the three Kampuchean anti-Vietnamese organizations in Geneva.

In the message Sihanouk expressed the hope that Son Sann, president of the Khmer People's National Liberation Front, would agree to hold a brotherly meeting in Geneva in the near future.

The message said: "Some friendly countries, such as the People's Republic of China and the five ASEAN nations, wished that our country and our people win liberation. Furthermore, they have fulfilled their obligations to our country and people. In the future, the three Kampuchean parties should shoulder the Kampuchean nation's duties in resisting Vietnam."

The message said: "All the Kampuchean patriots and freedom- and justice-cherishing countries in the world expect the three Kampuchean parties to realize coalition. We should primarily depend upon our own strength to achieve this aim. It is neither honourable nor practical to demand other friendly countries to attain the goal for us. The ways and means for the realization of unity and establishment of a coalition government should be jointly explored by our three parties. The responsibility for success or failure in the effort for unity has historically fallen on our shoulders."

SIHANOUK LEAVES BEIJING FOR PYONGYANG 5 JUN

OW050720 Beijing XINHUA in English 0710 GMT 5 Jun 82

[Text] Beijing, June 5 (XINHUA) -- Samdech Norodom Sihanouk and Mme. Sihanouk left here for Pyongyang by a special flight this morning. They were seen off at the airport by advisor to the Chinese Ministry of Foreign Affairs Han Nianlong and his wife, Wang Zhen, as well as diplomatic envoys from the Democratic People's Republic of Korea, Democratic Kampuchea and France.

SRI LANKAN AIR FORCE COMMANDER PAYS VISIT

Zhang Tingfa Hosts Dinner

OW021730 Beijing XINHUA in English 1648 GMT 2 Jun 82

[Text] Beijing, June 2 (XINHUA) -- Air Vice-Marshal D.C. Perera, commander of the Sri Lanka Air Force, Mrs. Perera and their party were honored at a dinner here tonight given by Zhang Tingfa, commander of the Air Force of the Chinese People's Liberation Army.

In his toast, Commander Zhang spoke of the growing exchanges between armed forces of China and Sri Lanka as well as friendship and cooperation in other fields developed between the two countries. He said that Perera's visit would contribute to the furtherance of friendly relations between the air forces of the two countries. Perera said in his toast that he was very happy about the warm hospitality accorded him in China as the first leader of the Air Force of Sri Lanka to visit China. He said he hoped that relations between the air forces of the two countries will become even more closer.

Present at the banquet were He Tingyi, deputy air force commander of the Chinese People's Liberation Army; Zhai Chengwen, director of the Foreign Affairs Bureau of the Ministry of National Defense; Gao E, Chinese ambassador to Sri Lanka; and C. Mahendran, Sri Lanka ambassador to China, and Mrs. Mahendran. Perera, Mrs. Perera and their party arrived here yesterday at the invitation of Commander Zhang. This morning Air Vice-Marshal Perera reviewed an honor guard of the P.L.A. Air Force in the company of P.L.A. Air Force Commander Zhang. This afternoon the Sri Lanka guests visited a P.L.A. Air Force unit and watched a nine-aircraft acrobatic performance.

Zhang at Literary, Art Soiree

OW051447 Beijing Domestic Service in Mandarin 1600 GMT 3 Jun 82

[Text] The headquarters and Political Department of the Air Force of the Chinese PLA held a literary and art soiree at the (Jingxi) guest house this evening to welcome Air Vice Marshal D.C. Perera, commander of the Sri Lanka Air Force, and his party. Zhang Tingfa, commander of the PLA Air Force, and his wife accompanied their guests from Sri Lanka to see performances of singing and dancing.

Meeting With Geng Biao

OW041634 Beijing XINHUA in English 1541 GMT 4 Jun 82

[Text] Beijing, June 4 (XINHUA) -- State Councillor and Minister of National Defense Geng Biao met and had a conversation here today with Air Vice-Marshal D.C. Perera, commander of the Sri Lanka Air Force, and Mrs. Perera.

Outlining China's domestic situation, Geng said that commanders and fighters of the Chinese People's Liberation Army are making concerted efforts to lay a solid foundation for modernization of the country's defense. He said he hoped that armed forces of China and Sri Lanka will learn from each other and strengthen their cooperation.

Perera praised the traditional friendship between the peoples of Sri Lanka and China. He said he believed that the friendship and cooperation between the two peoples and armed forces of the two countries will develop continuously.

Present were Deputy Commander of the Chinese Air Force He Tingyi, Director of the Foreign Affairs Bureau of the Ministry of National Defense Chai Chengwen, Chinese Ambassador to Sri Lanka Gao E, and Sri Lanka Ambassador to China C. Mahendran and Mrs. Mahendran. Earlier today Air Marshal Perera visited a flying school in Shijiazhuang in the company of Chinese Air Force Commander Zhang Tingfa. In the evening Perera and Mrs. Perera gave a return dinner, which was attended by Zhang Tingfa and others. The Sri Lanka visitors are scheduled to leave Beijing tomorrow for a tour of Xian, Chengdu, Shanghai, Hangzhou, Guilin and Guangzhou.

PCI SPONSORS ROME MARCH FOR PEACE, AGAINST WAR

OW060738 Beijing XINHUA in English 0708 GMT 6 Jun 82

[Text] Rome, June 5 (XINHUA) -- Some 200,000 Italians demonstrated in downtown Rome today for peace against war.

Early in the morning, 10 special trains and 400 buses carried people of all walks of life to the capital from Venice in the north to Calabria and Sicily in the south. The demonstrators started off from Republic Square in the center of the city, marched past the Soviet and U.S. embassies, and assembled at the People's Square. Among the demonstrators were youth, women, children and old people. Some disabled people in wheel-chairs and representatives of foreign communities also joined in the demonstration. The demonstrators held slogans reading "For peace, against all imperialists" and "For peace, freedom and national self-determination." Passing through the U.S. Embassy, they shouted slogans denouncing Ronald Reagan for bringing with him war and poverty. The demonstration took place two days before President Reagan's scheduled visit to Rome. When the demonstrators passed by the Soviet Embassy, they shouted slogans against the Soviet occupation of Afghanistan and nuclear weapons.

Today's demonstration was sponsored by the Italian Communist Party, the Italian Union of Communist Youth and other parties and mass organizations.

RESOLUTION OF GREEK CP (INTERIOR) CONGRESS CITED

OW240818 Beijing XINHUA in English 0758 GMT 24 May 82

[Text] Athens, May 23 (XINHUA) -- The Greek Communist Party of the Interior today accused hegemonism as a direct factor for the continuous deterioration of the international situation. A resolution adopted at the end of the national congress of the party said hegemonism is gravely threatening the international labour movement and world peace. It analyzed the situation in Greece and stressed the need to carry on the struggle for democracy and socialism.

The nine-day congress held in this capital was attended by 460 representatives. Delegates from the Communist Parties of Romania, Yugoslavia, China, Italy and Spain as well as delegates from socialist parties and liberation movements in Asia, Africa and Latin America attended on invitation. The party's secretary general, Babis Drakopoulos, delivered a report on May 15 and the representatives discussed the domestic political situation, the building of the party and other problems.

Feng Xuan, delegate from the Communist Party of China and member of the party Central Committee, offered a message of greetings to the congress on May 19. The Greek Communist Party of the Interior, he said, is seeking a path to socialism which conforms to the concrete conditions of Greece. The two parties of China and Greece base their relations on the principles of independence, complete equality, mutual respect and non-interference in each other's internal affairs, he added.

The resolution adopted by the congress said tensions and areas of conflict are multiplying. The U.S. and Soviet deployment of missiles in Europe has deteriorated and will continue to deteriorate drastically the situation in that continent and the world. The confrontation between the two superpowers, their contention for the redivision of the spheres of influence and their efforts to compel the world people to submit to the balance and compromise reached between them -- all this will bring new danger to world peace, the resolution said.

The resolution said the Soviet Union, proceeding from its own interests, is trying its best to push its policy of hegemonism in disregard of the independence of other countries and the interests of their people. Poland offers a good example which shows its gross interference in others' internal affairs, it said. The resolution analyzed the situation in Greece after the general elections last October and said the social and political struggle has entered a new stage. A mass campaign must be carried out with the workers' movement as the mainstay, and the movements of peasants, youth and women and that of peace must be strengthened and combined into a strong democratic force, it stressed.

The congress elected a new Central Committee.

RENMIN RIBAO SCORES ISRAELI BOMBING OF LEBANON

OW060726 Beijing XINHUA in English 0716 GMT 6 Jun 82

[Text] Beijing, June 6 (XINHUA) -- The PEOPLE'S DAILY today carries a commentary denouncing Israel for its savage attack on Lebanon. Entitled "Savage Aggression," the commentary reads [the following is identical with the RENMIN RIBAO text]:

On June 4 the Begin expansionist authorities, making use of the assassination of its ambassador to Britain as an excuse, sent large numbers of airplanes to wantonly bomb the residential quarters of Beirut and southern Lebanon, killing or wounding over 200 people and causing heavy damage.

This savage act of aggression is the third violation committed by the Israeli authorities this year of the cease-fire agreement they signed with Palestine and a new debt in blood they incurred to the Lebanese and Palestinian people. The event proves once again that the Israeli authorities stubbornly cling to the policy of aggression and expansion, and are the source of misery and disaster for the people of the neighboring countries.

For years, counting on its huge military power, Israel has carried out unbridled aggression and expansion against its neighbors on the ground of safeguarding its "security." Recently, along with its reluctant withdrawal from the Sinai Peninsula, it has stepped up its effort to annex the West Bank of the Jordan River, the Gaza Strip and the Golan Heights, and frantically suppressed the just struggle of the Arab people in the occupied land. The Israeli ruling clique's piratical acts of depriving its neighbors' right to live has aroused widespread indignation in the world.

However, with the support of the United States, Israel continues to defy the international community and public opinion and to create pretexts to carry out provocations and aggressions. Its recent savage bombing of Beirut is further evidence that the Begin authorities are the vicious violator of principles governing international relations and of the peace in the Middle East. The international community will not allow the recurrence of such crimes.

The history of the 34-year-old Arab-Israeli conflict has shown that Israel can never succeed in building its existence on the destruction of the Palestinian people. Aggression leads to resistance and bloodshed deepens hatred. For the peace and justice in the Middle East, all justice-upholding and peace-loving people and countries in the world should take action to stop Israel's aggression and work for a just and reasonable settlement of the Middle East problem.

RENMIN RIBAO URGES PEACEFUL END TO IRAN-IRAQ WAR

HK070742 Beijing RENMIN RIBAO in Chinese 7 Jun 82 p 6

[Short Commentary: "It Would Be Better To Have a Peaceful Solution"]

[Text] Iran has finally recaptured the important border town of Khorramshahr, thus recovering the whole of oil-producing Kordestan Province [as published]. Now, except for a narrow strip of territory near Qasr-e Shirin, both sides are basically back to where they were before the war started. This is an excellent opportunity for ending the war.

Both sides have paid a tremendous price for the 20-month Iran-Iraq war; on each side, tens of thousands of strong young men have lost their lives, up to 1 million peaceful inhabitants have lost their homes, important oil installations have been wrecked, and many construction projects have been paralyzed. The war has caused tens of billions of dollars of economic losses and hampered both sides from advancing along their chosen paths of development.

In addition to all this, the war has weakened the struggle of the Islamic countries for uniting against hegemonism and joining together against Israel, and has provided the opportunity for aggravation of Israeli aggression and expansion and of contention between the superpowers in the Gulf and Middle East regions. Peace-loving peoples throughout the world feel profoundly sorry and grieved over this war.

The control line of the two sides is now basically back at the prewar border. International opinion holds that this is an excellent opportunity for the two sides to move from the battlefield to the conference table, and hence again appeals to both sides to stop the war and solve the conflict by negotiation. People hold that territorial disputes left over from history can be fairly and rationally solved by peaceful negotiation.

China, Iran and Iraq all belong to the Third World. The Chinese people have the same friendship for the peoples of Iran and Iraq. There is an old Chinese saying: "It is better to stop being enemies than to become enemies." We hope that Iran and Iraq will be able to regard their long-term national interests as the most important thing, immediately stop this war that pains their friends and pleases their enemies, solve their differences and disputes on the basis of equality and mutual benefit, rebuild their fraternal friendship, and struggle together to preserve peace and stability in the Gulf and Middle East regions and oppose Israeli aggression and expansion and superpower hegemonism. The opportunity must not be missed, as it will not come again. Now is the time for turning hostility into friendship.

SPECIAL ENVOY HE YING ENDS VISIT TO MIDEAST

OW031308 Beijing XINHUA in English 1257 GMT 3 Jun 82

[Text] Cairo, June 3 (XINHUA) -- Chinese special envoy He Ying left here today after visiting Egypt, Turkey, Syria, Cyprus and Libya. During his visit to these five countries, He Ying discussed international issues of mutual interest with leaders of these countries. The objective of the talks was to deepen mutual understanding.

The Chinese envoy was seen off at the airport by Egyptian officials and Chinese Ambassador to Egypt Liu Chun.

CCP'S ZHANG ZHIXIANG MEETS RWANDA'S PRESIDENT

OW261730 Beijing XINHUA in English 1516 GMT 26 May 82

[Text] Kigali, May 25 (XINHUA) -- Juvenal Habyarimana, president of the Rwandan National Revolutionary Movement for Development and president of the republic, received here today Zhang Zhixiang, head of the visiting good-will delegation of the Chinese Communist Party (CCP).

The president told Zhang Zhixiang, who is also counsellor of the International Liaison Department of the CCP Central Committee, that he was satisfied with the friendship and cooperation between the Rwandan National Revolutionary Movement for Development and the CCP. He hoped that the two parties continue to exchange experiences in the future so that the relations between the two parties would be developed and strengthened.

The Chinese delegation arrived in Rwanda on May 18. During its visit to the country, the Chinese delegation had talks with General Secretary B. Habimana of the movement, and called on Minister of Foreign Affairs and Cooperation Francois Ngarukiyintwali and other party and government officials.

INVESTMENT PROMOTION MEETING OPENS IN GUANGZHOU

Open Economic Policy To Stay

OW070357 Beijing XINHUA in English 0302 GMT 7 Jun 82

[Text] Guangzhou, June 7 (XINHUA) -- State Councillor and Minister of Foreign Economic Relations and Trade Chen Muhua reassured foreign industrialists, bankers, private investors and Chinese compatriots from Hong Kong and Macao regions that to pursue a policy of opening to the world is China's long-term policy decision, at the opening ceremony of the investment promotion meeting here today.

"We hold that with the present high level of technology, no country in the world possesses all the resources and funds needed for the development of its economy, or has all the advanced technology in the world. Every country must make trade-offs with other countries for its needs," she said.

"Besides, every nation's economy has its pluses and minuses and each can achieve the best overall economic results only through exchanges," she added.

The introduction of applicable advanced technology and equipment and the absorption of foreign funds on the basis of equality, mutual benefit and exchanges for each other's needs according to China's concrete conditions and conventional international practices are manifestations of China's open economic policy, she said. This is done to speed up China's socialist construction, she added.

"The present meeting is a useful attempt in seeking international cooperation," she said.

The minister explained that the readjustment of China's national economy and the crackdown on criminal economic activities would not change or affect China's policy of opening to outside world and enlivening the domestic economy. On the contrary, they would guarantee the smooth implementation of China's domestic and foreign economic policies.

Through readjustment, China's economic construction has entered a new period of steady advances, Chen Muhua said.

In the future China would continue to import advanced technology and equipment applicable to China and continue to absorb and utilize foreign funds for transforming existing enterprises and for the construction of key projects in such fields as energy, communication and transportation, she said.

Further on Meeting

OW070441 Beijing XINHUA in English 0335 GMT 7 Jun 82

[Text] Guangzhou, June 7 (XINHUA) -- State Councillor Chen Muhua, minister of foreign economic relations and trade, reiterated China's long-term policy of opening to the world at the investment promotion meeting, which opened here this morning.

"The current investment promotion meeting is a useful attempt to seek cooperation with other countries and regions," she said.

The meeting is jointly sponsored by the Chinese Government and the United Nations Industrial Development Organization (U.N.I.D.O.), and the session offers 130 projects for discussion with overseas investors.

Included are joint ventures, co-production enterprises and compensation trade undertakings. The projects, mainly small and medium-sized ones, cover light, textile, chemical, building materials, machine building, metallurgical and electronics industries.

Addressing the opening ceremony, Dr. Abd-El Rahman Khane, executive director of U.N.I.D.O., said that China has great potential with its vast area, big population and major technological breakthroughs achieved in the past. China's share of world manufacturing value added is now around 3.5 percent -- nearly a quarter of the value added total in the whole of the developing world.

This highlights the significance of the investment promotion meeting, the U.N.I.D.O. official said. Dr. Khane expressed satisfaction with China's decision to hold this meeting as a sign of confidence in bringing about international cooperation, and voiced the hope of "conclusion of as many agreements as possible."

Addressing the meeting today also were Wei Juming, Chinese vice-minister of foreign economic relations and trade, and Nessium Shallon, resident coordinator for U.N. operational activities in China.

Present at the meeting were more than 1,100 Chinese representatives and visitors from 29 foreign countries and Hong Kong and Macao regions, including industrialists, businessmen and bankers. Diplomatic officials also attended.

A reception marking the opening of the meeting will be given here this evening by the Chinese Ministry of Foreign Economic Relations and Trade.

Wei Yuming's Remarks

OW070406 Beijing XINHUA in English 0309 GMT 7 Jun 82

[Text] Guangzhou, June 7 (XINHUA) -- China has made considerable progress in absorbing and utilizing direct foreign investment since the adoption of open economic development policy in 1979, said Wei Yuming, vice-minister of foreign economic relations and trade, at the opening ceremony of the investment promotion meeting here today.

Direct investment, as one form of utilizing foreign capital, includes joint ventures, cooperation enterprises, joint exploration and development, and compensation trade.

According to Vice-Minister Wei, by the end of 1981, 40 joint ventures had been approved with a total investment of more than 189 million U.S. dollars, of which the total investment from foreign and Hong Kong and Macao partners was about 87.5 million U.S. dollars.

More than 390 contracts for cooperation enterprises have been approved with a total investment of 1,800 million U.S. dollars provided by foreign and Hong Kong and Macao partners.

As regards oil exploration and exploitation, he said, China has concluded 9 agreements on geophysical survey in South China Sea and southern Yellow Sea with 48 oil companies from 13 countries, such as the United States, Japan, Britain, France and Italy. General geological survey work has been completed. In addition, he said, China has also concluded 4 contracts on oil exploration and development in the Bohai Sea and a part of Beibu Gulf with Japan's oil consortium and two French oil companies. The amount of investment for these projects totalled 839 million U.S. dollars, of which 498 million were provided by foreign investors, he said.

Five hundred and ninety contracts for medium and small projects in the form of compensation trade have been approved, with machines and equipment provided by foreign and Hong Kong and Macao investors valued at approximately 460 million U.S. dollars, he added.

Absorbing Foreign Investment

OW070429 Beijing XINHUA in English 0314 GMT 7 Jun 82

[Text] Guangzhou, June 7 (XINHUA) -- The absorption of direct investment from foreign countries must be coordinated with readjustment of China's national economy, its modernization program and the improvement of the people's life, said Wei Yuming, vice-minister of foreign economic relations and trade, at the opening ceremony of the investment promotion meeting here today.

Therefore, in establishing joint ventures and cooperation enterprises and conducting joint exploration and development and compensation trade, China puts emphasis on energy, textile and light industries, and food, pharmaceutical, electronics, building materials, machine building, iron and steel and chemical industries, tele-communications, agriculture, animal raising and breeding and tourism, he said. For instance, among the 40 joint ventures approved, 15 are light industrial and woolen textile industrial projects, he added.

In absorbing direct investment from foreign countries, close attention must be paid to economic results, he said. Specifically, the investments must be conducive to the adoption of advanced technology and scientific management and to increasing the varieties of products, improving quality and saving energy and materials. They should be able to bring about rapid and profitable returns, help expand export of products and increase foreign exchange earnings.

The transformation of existing enterprises was an undertaking with which the absorption of foreign capital should be combined, he said. This is not only essential to China's economic readjustment and modernization program but also favorable to foreign investors, he said.

The vice-minister also explained some questions concerning doubts among some foreign investors such as whether their capital or assets in joint ventures and cooperation enterprises would be requisitioned or confiscated.

He said, "the law of the People's Republic of China on joint ventures using Chinese and foreign investment" stipulates clearly "the Chinese Government protects, by the legislation in force, the resources invested by a foreign participant in a joint venture and the profits due him pursuant to the agreements, contracts and articles of association authorized by the Chinese Government as well as his other legal rights and interests."

"So long as the foreign investors do not violate the laws of the Chinese Government, and the joint ventures and cooperation enterprises do not infringe upon China's public interests and disrupt its public order, on no account would we confiscate or requisition their investments," the vice-minister declared.

"On the whole," he said, summing up the experience in the past three years, "China and foreign firms have cooperated satisfactorily in the joint ventures and cooperation enterprises. This is because China has conscientiously carried out the principle of equality and mutual benefit and the foreign investors have shown sincerity for cooperation," he said.

Investors Decisionmaking Power

OW070444 Beijing XINHUA in English 0323 GMT 7 Jun 82

[Text] Guangzhou, June 7 (XINHUA) -- Joint ventures and cooperation enterprises are allowed to adopt more flexible styles of management and to enjoy compatible decision-making powers with regard to personnel, finance, goods, production, supply and sales, according to Wei Yuming, vice-minister of foreign economic relations and trade, speaking at the investment promotion meeting here today.

As special forms of economic organization in China, they enjoy the following rights:

1. To make decisions on their development program, and plans concerning production, management and labor wages;
2. To buy the necessary raw materials, fuel and equipment including components, spare parts and accessories on domestic and international markets, and sell products on these markets according to the provisions of the contracts signed;
3. To sign economic contracts with domestic and foreign companies and enterprises;
4. To raise RMB and foreign currency funds from internal and external financial institutions for production and management and to open accounts in RMB and foreign currencies with the Bank of China or other banks endorsed by it for depositing, drawing, raising and spending the funds;
5. To establish individual financial management and other management systems and to determine their own profit distribution program as well as the financial budget and final account of revenues and expenditures;
6. To hire and fire employees and to adopt the system of pay scale, wage form, bonus and allowance systems suitable to themselves; and
7. To take necessary measures to renovate and reform production techniques, to diversify products and improve quality and increase quantity according to provisions set in the contracts and the articles of association, and to add fixed assets with the funds accumulated by themselves for the expansion of production and operation.

The program on capital construction, supply, production and sales of the joint ventures and cooperation enterprises, which are a component of China's entire economy, should be incorporated into the state plan through competent authorities for the better realization of their rights, he said.

China is also doing its utmost to create a favorable investment climate and convenient conditions for foreign investors with regard to sales market, the purchasing and sales prices, taxation and land royalty, the vice-minister added.

Investors' Favored Treatment

HK050622 Beijing ZHONGGUO XINWEN SHE in Chinese 1508 GMT 4 Jun 82

[Text] Guangzhou, 4 Jun (ZHONGGUO XINWEN SHE) -- Foreign Economic Relations and Trade Vice Minister Wei Yuming said when receiving our correspondent this evening that China welcomed investment by Hong Kong and Macao compatriots, Taiwan compatriots, Overseas Chinese and Chinese of foreign nationality, and would give them favored treatment.

Vice Minister Wei Yuming will preside over the first China investment promotion conference, which will be held here. He said, relatively ample preparations have been made and the conditions are relatively ripe for the various tasks of this conference, which is being convened by China and UNIDO, especially in project feasibility studies. The holding of this meeting provides a wider choice of negotiating partners and projects for investors from outside, compared with the scattered and single activities of the past. It affords excellent conditions and opportunities, and there is a corresponding increase in the chances and factors for success. Investors from outside are therefore very enthusiastic. It was originally planned to invite 400 foreign businessmen, but this figure has been greatly exceeded, and there will be nearly 600. This fully reflects the interest and confidence of investors from outside.

With regard to investors among Hong Kong and Macao compatriots, Taiwan compatriots, Overseas Chinese and Chinese of foreign nationality, Wei Yuming said that in the past they supported our policy in opening up to the world and vied to be the first in seeking investment opportunities in China. A large proportion of the 40 Sino-foreign joint ventures we have set up are being operated by us in cooperation with Hong Kong and Macao compatriots, Overseas Chinese, and Chinese of foreign nationality. This is an expression of their warm love for China. Now, when the China investment promotion conference is about to open, we extend a special welcome to those of them coming to attend it.

Wei Yuming conveyed through our agency the following message to Hong Kong and Macao compatriots, Taiwan compatriots, Overseas Chinese, and Chinese of foreign nationality: China specially welcomes and encourages them to come in and invest, and will give them more favored treatment than ordinary foreign investors as regards taxes, raw materials and power supplies, and so on.

The enterprise management experiences of Hong Kong and Macao compatriots, Taiwan compatriots, Overseas Chinese and Chinese of foreign nationality are useful for China to draw on. Wei Yuming stated, China has over 300,000 enterprises to reform, and for quite a large number of them foreign investment and technological import are possible and indeed necessary. The reform of these enterprises needs little investment and only a short cycle, and yields quick results. It is extremely suited to the investment capacity of Hong Kong and Macao compatriots, Taiwan compatriots, Overseas Chinese and Chinese of foreign nationality. Moreover China is about to come to grips with the reform of old enterprises. The prospects for investors are extremely broad.

Joint Investments Cited

HK070321 Beijing ZHONGGUO XINWEN SHE in Chinese 0822 GMT 6 Jun 82

[Text] Guangzhou, 6 Jun (ZHONGGUO XINWEN SHE) -- "China has the capacity to draw in and make use of foreign investment, and moreover, this capacity is growing all the time." This was disclosed by Vice Minister of Foreign Trade Wei Yuming to our reporter.

Vice Minister Wei Yuming cited facts to illustrate the success of drawing in foreign investment in the past 3 years and held that China has the capacity to draw in and make use of foreign investment. He said that five projects, including the Beijing-Qinhuangdao and the Yanzhou-Shijiusuo electrified railroad lines, the double-track railroad from Guangzhou to Hengyang and extensions to the ports of Qinhuangdao and Shijiusuo, built with loans from the Japanese Overseas Economic Cooperation Fund, will have used about 100 billion yen by the end of this year. These projects are developing very rapidly. The quality of construction is good and management at the sites is orderly. A feasibility study agreement has already been signed with the Island Creek Coal Company of America for the joint exploitation of the open-cut coal mine in Pingshuo. Experts from both sides are now working busily and work is progressing smoothly. The Beijing Air Catering Company, the China Dongfang Chartering Company, the Tianshan woolen textile mill, the Zhejiang rattanware cooperative and the Tianjin winery are some of the more successful joint venture enterprises. Certain deficiencies in some of the joint venture enterprises have already been or are being corrected. The foreign economic activities of the past three years have enabled us to accumulate some valuable experience.

The vice minister pointed out to the reporter that the Chinese economy has already entered the stage of steady development. The technological transformation of old enterprises and the construction of basic energy, communications and transportation installations have provided excellent prospects and conditions for further increasing the use of foreign investment.

Vice Minister Wei said: If we say that we lacked experience in making use of foreign investment in the past, that our rules and regulations were imperfect, our standard of management was not high and that there were certain restrictions in work, then it is possible to say that all this has not been changed. In conclusion, Wei Yuming expressed confidence that all foreign businessmen who come to invest in China will obtain higher interest on bank deposits and profits and China will also benefit from this.

FURTHER ON PEASANTS' IMPROVED INCOME, STANDARDS

OWO41211 Beijing XINHUA Domestic Service in Chinese 0702 GMT 3 Jun 82

[Text] Beijing, 3 Jun (XINHUA) -- Since the 3d Plenary Session of the 11th CCP Central Committee, peasants in China have seen a large increase in their income, marked improvement in their living standard and a fairly great change in consumption breakdown, according to a survey conducted by the State Statistical Bureau covering 18,529 peasant households in 568 counties of 28 provinces, municipalities and autonomous regions (excluding Xizang).

In 1981, per capita living expenses of these more than 18,000 commune member households reached 190.81 yuan, which represented an increase of 74.75 yuan or an increase of 64.4 percent as compared to 1978.

An analysis of the State Statistical Bureau's survey shows that the proportions of food and fuel expenses decreased in those 3 years for the peasants, but the proportions of their expenses for homes and other daily necessities increased. In 1981, these more than 18,000 commune member households spent an average of 186.17 yuan of their total living expenses on consumer goods, or a 64.9 percent increase as compared to 1978, and 4.64 yuan for cultural life and services, which represented a 46.8 percent increase. A breakdown of consumer goods expenses and their increases as compared to 1978 shows that the expense for foodstuffs was 113.83 yuan and represented a 44.8 percent increase; clothing was 23.57 yuan, a 59.9 percent increase; fuels were 10.59 yuan, a 27.9 percent increase; home expenses were 18.67 yuan, an increase of 4.09 times; daily articles were 19.51 yuan, an increase of 1.56 times.

Compared to 1978, there were marked changes in the proportions of various kinds of expenses vis-a-vis each other in the total amount of living expenditures for 1981: Food expenses dropped from 67.7 percent to 59.7 percent, clothing expenses dropped from 12.7 percent to 12.3 percent, fuel expenses dropped from 7.1 percent to 5.6 percent, housing expenses rose from 3.2 percent to 9.8 percent, daily article expenses climbed from 6.6 percent to 10.2 percent and expenses for cultural life and services dropped from 2.7 percent to 2.4 percent. These changes are proof that peasants have begun increasing their living expenses to a new level.

There were also new changes in the composition of foods consumed. This is manifested by a drop in the proportion of staple foods consumed and a rise in the consumption of nonstaple foods. In 1981, as compared to 1978, peasants spent a per capita average of 61.07 yuan for staple foods, an increase of 19 percent; and 41.5 yuan for nonstaple foods, an increase of 68.2 percent. In this 3-year period the percentage of staple food consumption in the total expenditure for foods dropped from 65.3 percent to 53.7 percent, that of nonstaple food consumption rose from 31.4 percent to 36.5 percent. In 1981 the per capita consumption of unprocessed food grains of these rural households was 512.3 jin, or 16.6 jin more than in 1978. To break it down, the amount of rice and flour consumed reached 344.8 jin, an increase of 99.8 jin, and that of coarse food grains other than rice and flour was 167.5 jin, a drop of 83.2 jin. Compared with 1978, there were considerable increases in the per capita consumption of edible oils, meat, domestic fowl, eggs and their products, fish and shrimp, sugar, wine and other principal nonstaple foods by these rural households. The extent of increase was generally more than 50 percent.

In clothing consumption there was a gradual shift to medium grade commodities. There was a marked increase in the ownership of durable goods. Compared to 1978, these rural households logged a per capita increase of more than 1.5 times their expenses in chemical fiber cloth, woolen goods, silks and satins, woolen yarn and knitwear, while their consumption of cotton cloth and cotton decreased by 25.3 percent and 16.5 percent respectively. This shows that there has been some quality improvement in the clothes worn by peasants.

As for other consumer goods, compared to 1978, the figures at the end of 1981 showed that every 10 households of these peasants averaged 4.4 bicycles, which was a 41.9 percent increase; 2.8 sewing machines, a 55.6 percent increase; 4.2 radio sets, a 1.33 percent increase; 5.5 wristwatches, a 1.39 percent increase. A small number of well-off rural households began to have television sets, electric fans, radio-tape recorders, and so on.

There was an increase in newly built homes and an improvement in living conditions. In 1981 these rural households built an average of 0.27 new rooms per household, which was 0.16 more than in 1978. Most of the newly built houses in many localities were brick and wood structures. Their design, door and window fixtures, and natural lighting were more refined and of better quality. An estimate made at the end of 1981 showed that these rural households used an average of 4.28 rooms per household, which was an increase of 0.64 as compared with 1978. The average floor space reached 10.16 square meters per capita.

Peasants' cash on hand and savings deposits have both increased. Their potential purchasing power has increased. Statistics show that by the end of 1981 the average cash on hand and bank deposits reached 35.76 yuan per capita, which was 17.4 yuan more than in 1978.

At present, there are still some peasants whose incomes are relatively lower and whose daily life is difficult. It is necessary to continue to give a hand to these households in difficulty and help them develop production, increase income and gradually improve their living standard.

COLLECTIVE, SELF-EMPLOYED BUSINESSES EXPAND

OW041100 Beijing XINHUA in English 0822 GMT 3 Jun 82

[Text] Beijing, June 3 (XINHUA) -- More than 95,000 shops, restaurants and other service centers have been added in China's most populous province, Sichuan, since the beginning of 1979, exceeding the peak figure registered in 1963, according to a report from the province.

These businesses were set up in tourist centers as well as in urban residential and commercial areas and in small townships.

Statistics from China's second largest port city, Tianjin, show that the city has added 3,300 collectively operated shops, restaurants and repair centers, and 19,071 household businesses in the same trades in the past two years.

Government departments at various levels have appropriated large amounts of money for establishing a number of key commercial and service centers and have encouraged the collective and self-employed sectors to assist in the endeavor by granting tax reductions, exemptions and preferential loan credits.

The boom in collective and self-employed businesses has stimulated the national economy, provided jobs for young school graduates and made the people's life easier, according to Chen Weida, first secretary of the party's Tianjin city committee.

Figures from Tianjin show that the newly established businesses have provided jobs to more than 80,000 young people waiting for employment, while in Sichuan 400,000 people are now working in collective businesses and 100,000 are self-employed.

This is one of the ways of achieving full employment, Chen Weida said, since state enterprises and businesses are unable to take in the increasing number of young people leaving schools every year. He said that Tianjin needs more collective and self-employed undertakings, as the city will build another three million square meters of new housing this year and another 100,000 young boys and girls are leaving middle schools.

But people in the collective and self-employed businesses should be educated to abide by the law and state policies in their operations, Chen Weida added.

NO NEW EXPORT DUTIES FOR EXISTING CONTRACTS

OW041346 Beijing XINHUA in English 1242 GMT 4 Jun 82

[Text] Beijing, June 4 (XINHUA) -- China's latest decision to levy customs duties on 34 kinds of export commodities beginning June 1 will not affect contracts signed before the date between Chinese foreign trade companies and foreign firms. A spokesman for the Ministry of Foreign Economic Relations and Trade made the announcement today in an interview with XINHUA. Commodities subject to the new duties were published on May 27 by the General Customs Administration. The commodities include coal, ferromanganese, pig iron, rice, soybeans, prawns, tung oil, crude lacquer, freshwater fish, Chinese lycium and cassia bark.

"It has always been our policy to faithfully observe the contracts we have signed," he said. "Under this policy, we will not demand a corresponding increase in the prices for our export commodities already contracted for export, nor will we cancel any of the contracts signed before June 1."

Asked about how the decision is to affect the export prices for the 34 kinds of commodities, the spokesman assured XINHUA that in China, taxation does not directly affect export prices. He said: "China fixes the prices of its export commodities by taking into account the international prices for the same commodities and the supply and demand on the international market. This principle will continue to apply to the 34 commodities."

Discussing the necessity of levying export duties on these commodities, the spokesman said that this aims at adjusting export of these commodities to better carry out the overall state economic plans and the principle of making China's economy develop mainly by depending on state planning while using market mechanism as a supplement.

20 MORE FORMER KUOMINTANG PERSONNEL RELEASED

OW041233 Beijing in Mandarin to Taiwan 1500 GMT 2 Jun 82

[Text] The judicial departments of Beijing and Guangxi recently held meetings at which announcements were made to release all 20 former Kuomintang party, government and military personnel and special agents below the county and regimental level in custody as an expression of leniency, 7 in Beijing and 13 in Guangxi.

At the release meetings, local courts and reform through labor departments issued court rulings and release papers respectively to the released personnel. When the former Kuomintang personnel received their release papers, they were greatly moved. They all expressed their determination from now on to observe discipline and abide by the law and to be of service to the people.

WANG ZHEN, WANG ENMAO VISIT URUMQI PLANT

OW052130 Beijing XINHUA Domestic Service in Chinese 1544 GMT 4 Jun 82

[Text] Urumqi, 4 Jun (XINHUA) -- Meeting foreign and Hong Kong experts after visiting plants in Urumqi, Wang Zhen, member of the CCP Central Committee Politburo, said: China wants to continue to carry out the policy of opening to the world and revitalizing the domestic economy, using foreign capital and importing and studying advanced foreign technology; it will strive to successfully set up Chinese and foreign joint enterprises and vigorously develop the production of export goods in order to serve the needs of the four modernizations.

On the morning of 3 June, Wang Zhen inspected the construction site of the big chemical fertilizer plant of the Urumqi petrochemical complex. Much of the equipment for the big chemical fertilizer plant, which is expected to produce 300,000 dun of synthetic ammonia and 520,000 dun of urea a year, is imported from foreign countries. After visiting the construction site and attending a briefing given by leading comrades of the plant construction command, Wang Zhen met with representatives and technicians of Japanese and FRG companies helping with the construction. He welcomed them and thanked them for their assistance, hoping that more experts from their companies would come to help in the construction.

In the afternoon Wang Zhen visited the Xinjiang Tianshan Woolen Textile Products Company, Limited, which is a Chinese and foreign joint venture set up by Xinjiang and businessmen from Hong Kong and Japan. After receiving briefings by a representative of the company's general manager, the vice general manager, representative of the Chinese side Zhou Peide and representative of the Japanese side Ushio, Wang Zhen said: Xinjiang is a vast land and is endowed with rich resources and a large labor force. It is hoped that Chinese and foreign experts will work together to successfully run the enterprise.

In the afternoon Wang Zhen also visited the "exhibition of gems, jade, colored stones and handicrafts" jointly sponsored by the Xinjiang geological bureau and the museum affiliated to the Ministry of Geology and Minerals.

Accompanying Wang Zhen on the inspection were Wang Enmao, first secretary of the Xinjiang Uygur Autonomous Regional CCP Committee, and others.

OFFICIALS GREET WANG ZHEN ON RETURN TO BEIJING

OW051700 Beijing XINHUA in English 1601 GMT 5 Jun 82

[Text] Beijing, June 5 (XINHUA) -- Wang Zhen, member of the Political Bureau, member of the Standing Committee of the Military Commission and president of the Party School of the Central Committee of the Chinese Communist Party, returned to Beijing by air today after a three-week vacation and visit to Romania and a stopover in Xinjiang.

He was greeted at the airport by Yang Shangkun, secretary general of the Military Commission of the C.P.C. Central Committee; Deng Liqun, head of the Propaganda Department of the C.P.C. Central Committee; and Feng Wenbin, vice-president of the Party School of the C.P.C. Central Committee.

Dumitru Mocioiu, charge d'affaires ad interim of the Romanian Embassy here, was also present.

[Beijing XINHUA Domestic Service in Chinese at 1508 GMT on 5 June, in a similar report, adds the name "Zhang Zhen, deputy chief of General Staff of the PLA," as being among those greeting Wang Zhen at the airport.]

WAN LI VISITS BEIJING ENVIRONMENTAL EXHIBIT

OW052030 Beijing XINHUA Domestic Service in Chinese 1520 GMT 3 Jun 82

[Excerpt] Beijing, 3 Jun (XINHUA) -- Comrade Wan Li visited an "exhibition on protection of China's natural environment" at the Beijing Museum of Natural History this afternoon. At the exhibition, he told responsible persons and experts of our environmental protection departments: Protecting the natural environment is a major task which will bring benefit to our posterity. Natural conditions throughout the country should be analyzed. Where the natural environment needs to be protected, we must do so. The environmental protection law must be strictly enforced, and plans for protecting the natural environment must be combined with agricultural planning.

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The "exhibition on protection of China's natural environment" is jointly sponsored by the Environmental Protection Leading Group under the State Council, the China Society of Zoology, the Beijing Museum of Natural History and other units. More than 100,000 people have visited the exhibition since it opened on 5 April.

Comrade Wan Li visited the exhibition in the company of Li Ximing, minister of urban and rural construction and environmental protection, and experts of departments concerned.

DENG LIQUN WATCHES MODERN COMEDY AT ZHONGNANHAI

OW060458 Beijing XINHUA Domestic Service in Chinese 1510 GMT 5 Jun 82

[Text] Beijing, 5 Jun (XINHUA) -- Exclusive report for JILIN RIBAO by XINHUA reporter Yang Huiming: The Jilin municipal pingju [local opera of north and northeast China] troupe staged "Neighbors," a modern comedy, for more than 1,000 cadres from various organs directly under the central authorities at Zhongnanhai on the evening of 4 June. Their performance won favorable comments from the audience.

Among those who watched the performance were Wang Shoudao, vice chairman of the CPPCC National Committee; Deng Liqun, director of the Propaganda Department of the CCP Central Committee; Li Bozhao, vice chairman of the Chinese Dramatists' Association; and Guo Shushen, deputy secretary of the Central Discipline Inspection Commission under the CCP Central Committee. After the performance, they went up to the stage, shook hands with each performer and cordially praised their excellent performance.

All the members of the troupe were excited. They said that it was a great encouragement to them to have this chance to perform at Zhongnanhai, and they expressed their determination to make persistent efforts to give more and better performances. After the performance, all members of the dancing team, the band and all performers joined in a conscientious effort to clean up the stage.

CCP STRESSES ROLE OF DEMOCRATIC LIFE MEETINGS

OW061620 Beijing XINHUA Domestic Service in Chinese 0703 GMT 6 Jun 82

[Excerpts] Beijing, 6 Jun (XINHUA) --A XINHUA reporter has learned from the Organization Department of the CCP Central Committee that since last year the practice of holding democratic life meetings for leading cadres of prefectural and county party committees and organs has been strengthened owing to the supervision, attention and guidance provided by the various provincial, municipal and autonomous regional party committees.

According to statistics from 18 provinces, municipalities and autonomous regions, of some 3,574 prefectural and county party committees and organizations, 3,142 -- or 88 percent -- held democratic life meetings last year.

At these democratic life meetings, the prefectural or county party committees or organs set out to solve problems encountered in implementing the party's line, principles and policies in light of the party's current central tasks and of local conditions. At their democratic life meetings during the first half of last year, standing committees of the Yijun and Huangling County party committees in Shaanxi's Yanan Prefecture reviewed the delay in implementing the production responsibility system in their localities, overcome ideological "fears of being called rightists, of changes, of disorder, of getting into trouble and of the system's degenerating into individual farming," and steadied their determination and confidence in implementing the central authorities' principles and policies concerning the production responsibility system.

The Standing Committee of the Shenyang Municipal CCP Committee held a democratic life meeting last October specifically to study the problem of lax and weak leadership on the part of the municipal party committee and worked out corrective measures. At a meeting of cadres of county and regimental level and above, Li Tao, first secretary of the Shenyang Municipal CCP Committee, set an example by making self-criticism and called on leading cadres at all levels to take the initiative in improving party style.

In a recent circular, the Organization Department of the CCP Central Committee pointed out that democratic life meetings of standing committees and organs of party committees of county level and above are of great importance in restoring and carrying forward the party's fine traditions, improving party style, strengthening and improving party leadership and enhancing the party's fighting capability. It is hoped that the various provincial, municipal and autonomous regional party committees will take effective measures to strengthen their supervision over democratic life meetings of standing committees and organs of party committees of county level and above, strictly follow the central authorities' relevant regulations and make the system of democratic life meetings a great success. At the same time, all leading cadres who are party members must participate as ordinary party members in the regular activities of the party branches and party groups to which they belong, gradually institutionalize their regular activities as required by their dual role as party members and leading cadres and persist in this practice so that it will play an important role in strengthening party building.

EDITORIAL STRESSES CITIZENS' RIGHTS, DUTIES

HK040830 Beijing RENMIN RIBAO in Chinese 3 Jun 82 pp 1, 4

[Editorial: "The Rights and Obligations of Citizens Are Inseparable"]

[Text] In the process of discussing the draft of the revised constitution, people have eagerly concerned themselves with the stipulations on the rights and duties of the citizens. In accordance with the principles of the socialist democracy and socialist legal system, the draft sums up both positive and negative experience and contains more complete and explicit stipulations on the fundamental rights and duties of citizens. Compared with the previous three constitutions adopted since the founding of new China, a number of important amendments have been made with regard to citizens' rights and duties in the draft of the revised constitution.

The 1975 Constitution was worked out in 1975 under very abnormal conditions. Its contents were inadequate and a number of stipulations which should have been conscientiously worked out were carelessly dashed off. There were only four stipulations on the fundamental rights and duties of citizens. In addition, the chapter on citizens' duties preceded that of citizens' rights. Although the number of provisions for this part was increased to 16 in the 1978 Constitution, it still bore the traces of the "Great Cultural Revolution." For instance, the stipulations on citizens' right to "speak out freely, air views fully, hold great debates and write big-character posters" and so forth were included in the constitution. Comparatively speaking, the 1954 Constitution was more perfect. A total of 19 feasible and complete stipulations on the fundamental rights and duties of citizens were included in it. Notwithstanding, the constitution was formulated 27 years ago. The establishment of the socialist system and the development of the socialist construction in our country have enabled us to increasingly strengthen the material bases which ensure that citizens will enjoy various rights. Since the smashing of the "gang of four" and the convention of the 3d Plenary Session of the 11th CCP Central Committee in particular, the democratization of our country has developed greatly. It is necessary and possible for us to work out more perfect and feasible stipulations on the fundamental rights and duties of citizens.

The number of stipulations on the fundamental rights and duties of citizens has been increased to 22 in the draft of the revised constitution.

Judging by the content, the stipulation that all citizens are equal before the law as laid down in the 1954 Constitution has been reinstated, and citizens enjoy greater rights in the political, economic, cultural, educational and other fields. Compared with the various versions of previous constitutions, the draft comprises more specific and comprehensive stipulations regarding citizens' rights to supervise state organs and functionaries, their freedom of religious belief, right to work and right to receive material assistance. In view of the bitter lesson of the "Great Cultural Revolution," some new content has been added to the draft for the purpose of protecting personal freedom, personal dignity and personal safety. For instance, "extra-legal detention of citizens, or extra-legal deprivation or restriction of citizens' freedom of person by other means, is prohibited; and extra-legal search of the person of citizens is prohibited," "searches of, or intrusions into, citizens' domiciles, in contravention of law, are prohibited," and so forth. All rights and freedoms which our country's citizens enjoy have been won through hard work. They should be fully affirmed in the new constitution. We should take good care of them and protect them as we do our eyes.

A salient feature of the draft of the revised constitution is that emphasis is laid on the principle that the rights of citizens are inseparable from their duties. This is clearly stipulated in the draft: "The rights of citizens are inseparable from their duties. Every citizen enjoys the rights prescribed by the constitution and the law and at the same time has the duty to abide by the constitution and the law." All stipulations in the draft regarding the fundamental rights and duties of citizens are laid down in light of this principle.

Marx pointed out when he drafted the provisional general rules of the International Working Men's Association in 1864: "No rights without duties, no duties without rights." In a capitalist country, because the system of exploitation exists, it is impossible for the exploiters and the exploited and for the ruling class and the working people to enjoy equal rights and carry out equal duties. For this reason, the principle that the rights of citizens are inseparable from their duties cannot be put into practice there. Ours is a socialist country where the system of exploitation of one man by another has been eliminated and the people have become masters of their country. This makes it entirely impossible to carry out this principle in our country.

The principle that the rights of citizens are inseparable from their duties reflects that the interests of the state are fundamentally compatible with the interests of the people. In our country, the people are the masters, the state and the people share weal and woe and form an organic whole, and the interests of the state are inseparable from the interests of the people. The purpose of all activities of the state is to protect and enhance the rights of the people as masters of their country and to continuously raise the level of the material and cultural lives of the people. The citizens perform their duties for the state and the society for the purpose of doing a better job of building China into a powerful, modernized socialist country. When the state really protects all rights of citizens stipulated in the constitution and the law, and when the citizens seriously perform all duties laid down in the constitution and the law, the country will be prosperous and powerful and the people will live in peace and become well-off.

The rights and duties of citizens restrict and promote each other. The more extensive the rights of citizens are and the more secure their rights are, the more citizens will feel the superiority of the socialist system and consequently raise their ideological consciousness, work with greater enthusiasm and perform their duties more consciously and more faithfully. The citizens actively perform their duties for the purpose of creating conditions for better enjoying their rights. Marx pointed out: "Rights can never go beyond the economic structure of society and the cultural development conditioned by the economic structure." The rights of citizens are restricted by material and cultural conditions. Only by seriously performing their duties and accelerating the state's economic and cultural development can the citizens enjoy increasingly greater rights in various fields and have a better guarantee for their rights.

In upholding the principle that the rights of citizens are inseparable from their duties, we must fight against two kinds of mistaken ideas and misdeeds. First is the idea of seeking privileges, as cherished by a few cadres. These cadres think that the duties of citizens stipulated in the constitution and the law are laid down for the ordinary people and that they themselves may enjoy rights and even privileges outside the law. The second is the anarchical idea among some people in society. These people hold that since they enjoy freedom of speech, press, assembly, association, procession and demonstration, they can do what they want to do. Once they are criticized and interfered with, they will say that "this is against human rights." In view of this situation, the following articles have been added to the draft: "No organization or individual shall enjoy privileges that transcend the constitution and the law," "when exercising their freedoms and rights, citizens must not infringe upon the interests of the state, of society and of the collective, or upon the lawful freedoms and rights of other citizens" and "citizens are dutybound to safeguard the security, honor and interests of the motherland; acts damaging to the security, honor and interests of the motherland are prohibited." They are entirely necessary.

The articles on the fundamental rights and duties of citizens are an extremely important part of the content of the constitution. The exercise of rights of citizens and the performing of their duties according to law are compatible with the fundamental interests of the state and the citizens. We must seriously discuss the draft of the revised constitution and clarify the principle that the rights of citizens are inseparable from their duties, so that after the new constitution has been adopted we can exercise the rights of citizens better and perform the duties of citizens more consciously.

EDITORIAL URGES EQUALITY AMONG NATIONALITIES

HK070515 Beijing RENMIN RIBAO in Chinese 5 Jun 82 p 1

[Editorial: "The Fundamental Guarantee for the Quality, Unity and Common Prosperity of Nationalities"]

[Text] At present, people of various nationalities in our country are enthusiastically discussing the "draft of the revised constitution of the People's Republic of China." The draft of this revised constitution has recorded the revolutionary results of the arduous struggle of the Chinese people and summed up the experiences and lessons of the past 30 years or so since the founding of new China. It is in accord with the national conditions and the orientation of the development of our country and reflects the common aspirations of the people of various nationalities.

One of the basic contents and spirits of the revised constitution is strengthening nationality unity and national unity, developing the socialist relationships between different nationalities, guaranteeing equal rights for the minority nationalities, expanding nationality regional autonomy, and speeding up the economic and cultural development in the minority areas for the common prosperity of the Chinese nation. The revised constitution has carried forward the correct principles, which were contained in the 1949 "common programs" and the 1954 Constitution, concerning the question of minority nationalities. Apart from that, new stipulations have been made in accordance with the abundant practical experiences and thus the revised constitution has become perfect and substantial in content. This conforms with the common interests of the people of various nationalities and reflects the fact that the people of minority nationalities fully enjoy equal rights and have become the masters of their own affairs in the big family of the socialist motherland.

The preamble and general principles of the draft of the revised constitution point out: "The People's Republic of China is a unified multinational country created commonly by its various nationalities. Socialist relationships of equality, unity and mutual assistance have been established between these nationalities and will continue to be strengthened." "All the nationality autonomous areas are inalienable parts of the People's Republic of China." This is an unchangeable historical conclusion. Over a long period of time, more than 50 nationalities in our country have labored, lived and multiplied in the vast land of China.

Although turmoil and divisions have occurred in the past, a unitary multinational country has always been the main aspect of historical development. In modern times, various nationalities in our country were oppressed by imperialism, feudalism and bureaucrat capitalism. Under the leadership of the Chinese Communist Party, they carried out great revolutionary struggle and succeeded in achieving the great victory of the new democratic revolution and founded the People's Republic of China. The history of the past 30 years or so has proved that only by upholding the four basic principles and constantly consolidating and developing the socialist nationality relations of equality, unity and mutual help and the unification of the motherland, can various nationalities in our country exert their common efforts to establish a powerful socialist country. Thus, the political, economic and cultural development of various nationalities will be truly guaranteed and invasion by and subversive activities of foreign countries resisted. Any activity of dividing our nationalities violates the common interests of various nationalities and fundamental interests of the specific nationality itself. Therefore, such activities have been cast aside by the people of various nationalities.

Important stipulations have been made in the draft of the revised constitution to guarantee that various nationalities will enjoy their equal rights. Article 4 of the general principles reiterates: "All nationalities in the People's Republic of China are equal. The state protects the lawful rights and interests of the various minority nationalities." Article 2 stresses: All citizens of the People's Republic of China are equal to enjoy the rights prescribed by the constitution and the law and at the same time have the duty to abide by the constitution and the law. Article 3 points out: All the minority nationalities are entitled to appropriate representation in the NPC; minority nationalities are entitled to appropriate representation in the NPC Standing Committee. All these stipulations protect nationality equality and the equal rights of various minority nationalities to administer state affairs.

The application of national regional autonomy is the basic policy of the party and state for solving the nationality questions. It ensures the rights of the minority peoples to manage local affairs in their national autonomous areas. The organs of self-government of the national autonomous areas, as local state organs, exercise equal functions and powers as other local government organs. However, they also exercise autonomous powers as self-government organs. The draft of the revised constitution restores or retains relevant stipulations in previous constitutions, such as: national autonomy in the areas where nationality minorities live in compact communities; the right of the people's congresses in national autonomous areas to formulate statutes governing the exercising of autonomy as well as to carry out separate regulation in light of the political, economic and cultural characteristics of the local nationalities; the autonomous rights of the self-government organs to administer local finance; the rights of the self-government organs with the approval of the State Council to establish public security forces to maintain local social order; the right of self-government organs to employ the spoken and written language or languages commonly used by the nationality or nationalities in a given area in performing their functions, the restoration of nationality villages and so forth. At the same time, some new and important stipulations have been made in the draft of the revised constitution to clearly define and expand the rights of nationality regional autonomy. These new stipulations mainly include: First, chairmen of autonomous regions, heads of autonomous prefectures and heads of autonomous counties shall be persons of the nationality or nationalities exercising regional autonomy in these areas. Second, the self-government organs of national autonomous areas will independently administer the economic construction of their areas under the guidance of the state plans. Third, in developing natural resources and building enterprises in the national autonomous areas, the state should give due consideration to the interests of those national autonomous areas. Fourth, the self-government organs of national autonomous areas will independently administer education, science, culture, public health and physical culture in their respective areas, take charge of and protect national cultural heritage, develop the good cultures of the nationalities and help them to flourish.

All these stipulations in the new constitution, based on the practical experiences accumulated since the founding of new China, have reflected the correct integration of the centralization and unification of the state and nationality regional autonomy and the correct integration of the common interests of the people of the whole country and the particular interests of the minority nationalities. All this has demonstrated the further development and improvement of the system of nationality regional autonomy in our country under the new historical conditions. Article 124 of the draft of the revised constitution stresses: "The state safeguards the right to nationality autonomy of the self-government organs of national autonomous areas in the implementation of the laws and policies of the state according to the local conditions." This is a complete and scientific explanation of the right of nationality autonomy. During the 10 chaotic years, there were some erroneous acts of neglecting and not respecting the right of nationality autonomy in the autonomous areas. They have now been corrected. We should continue to exert our efforts to prevent and overcome their recurrence. At the same time, we should prevent and overcome the erroneous acts of neglecting unified leadership, plans and policies.

In the new era, speeding up the economic and cultural development in the minority regions to gradually eliminate the de facto inequality between nationalities, which has been left over from history, is also the party's basic task in the minority regions. We should persist in implementing the guiding principle of combining state aid and local self-reliant efforts in this respect. The draft of the revised constitution stipulates: "In accordance with the characteristics and demands of various nationality minorities, the state unswervingly helps the minority regions speed up their economic and cultural development to promote the common prosperity of various nationalities of the whole country." "The state gives financial, material and technical assistance to minority nationalities to accelerate their economic and cultural development." "The state helps the national autonomous areas train large numbers of cadres, specialized personnel and skilled workers from among the nationality or nationalities in a given area." All these are important conditions for changing the economic and cultural backwardness of the minority nationalities. With the improvement of the state finances and economy year by year, the state will give more help to the minority nationalities. Party organizations and the self-government organs in various minority regions should combine state aid with their self-reliant efforts so that the economy and culture in various minority regions will develop more rapidly.

The draft of the revised constitution also stresses: "The state upholds and develops the relationship of equality, unity and mutual assistance between all the nationalities of China. Discrimination or oppression with regard to any of the nationalities, and acts which undermine the unity between them are prohibited; but nationality chauvinism and local nationality chauvinism must be opposed." Citizens of our country "are dutybound to safeguard the unity of the country and the unity of all its nationalities." The unity of the country and the unity of all nationalities in China is where the fundamental interests of the people of all nationalities throughout the country lies. The socialist relationships between different nationalities, which are marked by equality, unity and mutual assistance, have taken shape in China. It was not easy for us to attain this objective. Relations between all nationalities in China -- between the Han people and the minority nationalities, or between the minority nationalities -- are interdependent and they cannot be separated from each other. To maintain and develop such nationality relations is the sacred duty of the people of various nationalities, and cadres of various nationalities in particular. Over the past 30 years or so since the founding of new China, we have accumulated abundant experiences and lessons in this respect. The most important thing which we should do is provide people of various nationalities and their cadres in particular with education on national policies and nationality unity. While paying attention to preventing and overcoming the Han nationality chauvinism (the main nationality chauvinism in our country), we should also do our best to prevent and overcome local nationality chauvinism. In a region mostly inhabited by a certain minority nationality, the people of this minority nationality should also pay attention to preventing and overcoming local nationality chauvinism in handling their relations with the people of other minority nationalities.

We should make a correct distinction between the appropriate nationality feeling and narrow nationalism. With regard to big nationality chauvinism and local nationality chauvinism, we should regard them as contradictions among the people and handle them by the method of persuasion and education. We should neither pin political labels on people nor categorize people on this basis.

In our country, the nationality question is a strategic question which is related with the unification of the motherland, consolidation of frontier defenses, stability and unity and the four modernizations. The basic policy of the party and state is to promote equality, unity, national autonomous regions and common prosperity for nationalities. Various stipulations made in the draft of the revised constitution on the nationality question have a vital bearing on the interests of the minority nationalities and the fundamental interests of the people of various nationalities throughout the country. People of minority nationalities should actively take part in the discussions of the draft of the revised constitution and exercise their rights to be the masters of their own country. According to the conditions of the minority national regions which are characterized by vast areas, scattered population and backward culture, the party organizations and people's governments of these regions should strengthen their leadership and conscientiously organize the discussions. In their discussions, the people and cadres of the Han nationality should concern themselves with the problem of minority nationalities and conscientiously study the nationality policy of the party and state. Through the discussions of the draft of the revised constitution, we should provide people of various nationalities with education on nationality policy and nationality unity so that our relations between nationalities will be greatly improved and nationality unity greatly strengthened.

RENMIN RIBAO DISCUSSES STATE CHAIRMAN SYSTEM

HK040941 Beijing RENMIN RIBAO in Chinese 3 Jun 82 p 5

[Article by Wang Dexiang [3769 1795 4382]: "A Tentative Discussion on Our Country's State Chairman System" -- capitalized passages published in boldface]

[Text] The state chairman is our country's supreme representative in domestic and international fields. All principles concerning the election, term of office, powers and activities of the state chairman and relevant laws and systems represent our country's state chairman system. This system is an important part of our political system. One of the most important changes in the recently promulgated draft of the revised constitution, as compared with the 1975 and 1978 versions, is the reinstatement of the state chairman, with the state chairman system improved.

In our country, the state chairman system with features peculiar to our country -- the system of chairman of the People's Republic of China -- was first established in 1954. In the "Report on the Draft of the Constitution of the PRC," Comrade Liu Shaoqi pointed out at that time: "In line with the actual conditions of our country and with the experience in establishing the supreme state organ of power since the founding of the PRC, the powers of our country's leader are jointly exercised through the NPC Standing Committee elected by the NPC and the chairman of the PRC. Our country's leader is a collective state leader." Comrade Liu Shaoqi's report spelled out in simple and clear language the basic feature of our 1954 Constitution -- the state chairman system. The feature was that only the combination of the NPC Standing Committee and the chairman of the PRC could be the total embodiment of our country's leader in every sense of the word. It was a combination of collective effort (the decisions collectively made by the NPC Standing Committee) and a unitary form of expression (execution by the state chairman as the leader). In actual political life, our state leader played a very important role.

After 1966, due to the 10 years of turmoil, the state chairman was forced to stop playing his role. Comrade Liu Shaoqi, then acting as state chairman, was persecuted to death. When the Constitution was revised in 1975, the post of state chairman was officially abolished, leaving people confused about the state chairman system. After the downfall of the "gang of four," the 1978 Constitution still adhered to the decision of "not appointing a state chairman." The guiding ideology for these two constitutions concerning the matter of state chairmanship was wrong, because it regarded the question of appointing a state chairman as something based on personal whim. This inevitably produced a negative effect on the establishment of state organs in our country. Only since a series of measures were taken, from the third plenary session to the sixth plenary session of the CCP Central Committee, to turn chaos into order has our state chairman system been embodied in the current draft of the revised constitution.

Why should the current draft of the revised constitution call for the reinstatement of the state chairmanship? I believe that there are at least the following several reasons:

First, THIS IS DICTATED BY THE FEATURES THAT MARK THE POST OF STATE CHAIRMAN. Our state chairman is an indispensable part of our political system. The state chairmanship represents not an individual with given powers, but a state organ in a given form. The chairman plays the role of state representative. In a state with a sound legal system, if there is no such post or if the post is not clearly defined, that means that the state lacks a central representative and an authoritative symbol in state activities, thus affecting the results of state activities.

Second, THE APPOINTMENT OF THE STATE CHAIRMAN IS DICTATED BY THE DIVISION OF WORK IN STATE ORGANS. Every state organ is a complete and organic whole. Division of work between state organs involves domestic, diplomatic, legislative, judicial, military, economic and other affairs. The authority and role of the state chairman cannot be replaced by other state organs. He plays the role of supreme representative of the state. If there were not such a post, there would be "a vacancy" in the state administrative structure.

Third, THE APPOINTMENT OF THE STATE CHAIRMAN IS ALSO DICTATED BY EXCHANGES BETWEEN COUNTRIES. Every country is a member of international society. Exchanges between states are unavoidable. The policy of staying in a rut and staying aloof from the affairs of other countries does not work in contemporary relations between states. Everything involving major issues between states, such as the declaration of war, the negotiation of peace, the conclusion of a treaty, the formation of an alliance, and other important state activities call for the personal appearance of the supreme state representative to assert the authority of the state. As far as diplomatic protocol is concerned, when one country is represented by its supreme representative, the other should also be represented by its supreme representative.

Fourth, STATE CHAIRMANSHIP IS SOMETHING LONG KNOWN TO THE MASSES OF OUR COUNTRY AND ITS PRACTICE IN THE PAST PLAYED AN IMPORTANT ROLE. It entirely suits the conditions of our state. The reinstatement of the state chairmanship marks a further improvement in our state system and is conducive to our country's stability and unity.

By saying that it is necessary to reinstate the state chairmanship, we do not mean that we must borrow all the provisions in the 1954 Constitution in their entirety. The draft of the revised constitution has summed up our country's experiences. In light of new conditions and on the basis of carrying on the basic principles and rules embodied in the 1954 Constitution concerning the state chairman system, a new state chairman system of our country has been formed. There have been five major changes in this system.

1. The draft of the revised constitution first clarifies the legal status of the state chairman of our country. The draft says: "The chairman of the PRC represents the state in domestic and international fields." (Article 78)

This provision is clearer than that in the 1954 Constitution. Article 41 in the 1954 Constitution says: "The chairman of the PRC represents the PRC in international matters and receives foreign diplomats. Based on the decisions of the NPC Standing Committee, he appoints or recalls plenipotentiary representatives stationed abroad and approves the treaties concluded with foreign countries." Here it is only stated that the state chairman represents the country in international matters. It says nothing about whether he also represents the country in the domestic field. According to the logic of the language in the relevant provision, the state chairman seems to represent the state in the domestic field only in carrying out various concrete duties. Thus, the legal status of the state chairman is not clear enough. The provision in the draft of the revised constitution based on the general approach to the state leader adopted by most countries explicitly spells out the legal status of the state chairman as a representative of the state in domestic and international fields. This is of great significance in perfecting our country's state chairman system.

2. The basic principles embodied in the 1954 Constitution are upheld. In the state leader systems adopted by various countries, state leadership assumes two forms. The first is individual leadership, the second is collective leadership. It is in collective leadership that the state leader's authority and executive power represent the collective. It is in individual leadership that the leader is a single individual. Given different political systems and different concrete conditions, the authority of leaders of various countries is not quite the same. But generally speaking, the common duties of the leaders of various countries are: presiding over the meetings of one or two chambers of a parliament, promulgating laws and decrees, choosing important state leaders, appointing and recalling plenipotentiary representatives stationed abroad, receiving credentials and the like, approving treaties and important agreements concluded with foreign countries, controlling the armed forces of the whole country, and so forth. The draft of the revised constitution promulgated by our country this time has upheld the basic principle prescribed in the 1954 Constitution, that is, that all activities of the state chairman must be based on the decisions of the NPC and the NPC Standing Committee and are only promulgated or executed by the supreme representative of the state, who cannot make independent decisions on major state issues.

3. One of the changes in the provision in the draft of the revised constitution on our country's state chairman system, compared with that in the 1954 Constitution, is the elimination of such powers of the state leader as calling the supreme state conference, controlling the whole country's armed forces, and so forth. This actually means he is no longer to be involved in government work. In our country, the appointment of the state chairman has its own peculiar features. He is neither the head of government nor the head of the conference. Instead, he represents an independent state organ. The 1954 Constitution said that the state chairman had the right to call the supreme state conference and to act as the chairman of the supreme state conference. The supreme state conference was attended by the chairman and vice chairman of the state, chairman of the NPC Standing Committee, premier of the State Council and other relevant personnel. The supreme state conference could discuss and put forth views on major state issues. This is to say that the then state chairman had the right to interfere in the state's administrative affairs. This system subjected our government work to multiple plural leadership. Supreme state power was also not unified. The state chairman was also involved in administrative affairs. The draft of the revised constitution has changed this, enabling the state chairman to not only become the supreme state representative, but also be relieved from administrative affairs to serve as the supreme state symbol. This is conducive to the division of work between our state organs.

4. The draft of the revised constitution has also made an important change in our country's state chairman system -- the abolition of lifetime tenure that has actually existed for the state chairman.

The draft of the revised constitution says: "Citizens of the PRC at or above the age of 45 have the right to elect and be elected chairman and vice chairman of the PRC. The term of office for the chairman and vice chairman of the PRC is 5 years. The term of office can be renewed when one is reelected, but not for more than two terms." (Article 79) This provision is of great significance. Lifetime tenure for main state leadership posts is a heritage from feudal society. Its existence is likely to give rise to personality cults. It hampers the development of democracy. It may also cause such unhealthy phenomena in state life as taking a conservative approach, staying in a rut, practicing nepotism in appointing people, and so forth. The draft of the revised constitution puts a limit on the terms of office for a state chairman. This helps in putting the whole country on a democratic basis and making the leadership cadres younger.

5. According to the draft of the revised constitution of our country, there is also a vice chairman installed in our country's state chairman system. The vice chairman does not represent any independent state organ. His duty is to help the chairman with his work. As authorized by the state chairman, he can act as a replacement, carrying out part of the latter's duties. For example, the vice chairman can act on behalf of the state chairman in receiving diplomatic envoys, and so forth. In addition, the vice chairman also has his own unique status. This chiefly means that in case of a vacancy occurring in the post of the state chairman of the PRC, the vice chairman can take over as successor. A provision of this nature is also found in constitutions of foreign countries. For example, the U.S. Constitution says: "If the president is dismissed, dies, resigns, or is incapable of discharging the presidential duties, the presidency should be taken over by the vice president." The draft of the revised constitution has simplified the relevant provision in the 1954 Constitution and abolished the provision in the 1954 Constitution stating that the vice chairman shall act on behalf of the chairman when the chairman cannot work for a long period of time for health reasons. Instead, it has added the provision: "When both posts of chairman and vice chairman of the PRC are vacant, the NPC will hold relevant elections. Before a successor is elected, the chairman of the NPC Standing Committee shall temporarily act as chairman." (Article 84) These changes have enabled our state chairman system to be more suited to actual conditions.

GRAIN DEPARTMENTS STRIVE TO INCREASE REVENUES

OWO61013 Beijing XINHUA Domestic Service in Chinese 0107 GMT 6 Jun 82

[Excerpts] Beijing, 6 Jun (XINHUA) -- According to a report by XINHUA reporter Zhang Baode, the grain departments at all levels throughout the country have taken various effective measures since the convocation of the 3d Plenary Session of the 11th CCP Central Committee to achieve even better economic results, increase enterprises' revenues and reduce the financial burdens to the state. From 1979 to 1981, they reduced state subsidies by a total of 3.3 billion yuan.

Over a protracted period, grain departments paid little attention to improving economic results and suffered losses from not only wrong policy but also poor management. All this has increased the financial burdens to the state. Since the 3d Plenary Session of the 11th CCP Central Committee, the grain departments at all levels, in an effort to improve economic results and reduce financial losses, have mainly adopted the following measures:

1. Gradually change the situation of selling and buying food grain and pay attention to the processing of food and oil bearing crops.

From 1979 to 1981, the grain departments throughout the country set up more than 2,300 noodle shops and bakeries, turning out over 4 billion jin of bread and noodles. Among the 20,000 grain shops, 40 percent sell grain crops in front, while processing grain and oil-bearing crops in the back of the shops. They have processed over 10 billion jin of grain and oil-bearing crops and foodstuffs in a period of 3 years.

2. Make rational use of resources for grain and oil-bearing crops and incessantly carry out the diversified utilization of byproducts from grain and oil-bearing crops. In recent years, enterprises that sell grain and edible oil have made good use of the leftovers and bran cakes in processing peanut, soybean and rice bran oil.

3. Actively buy and sell grain crops at negotiated prices after the grain purchase targets have been fulfilled and overfulfilled.

4. Enthusiastically and steadily implement the economic responsibility system on a trial basis.

After 3 years of strenuous efforts, 70 percent of the 11,000 enterprises that buy and sell grain crops in the country and receive state subsidies have made profits. Ninety percent of the units at the county level in Hunan, Anhui and other provinces that sell and buy grain have netted profits.

FORUM ON OVERSEAS CHINESE EDUCATION HELD

OWO41323 Beijing XINHUA Domestic Service in Chinese 0725 GMT 3 Jun 82

[Excerpts] Beijing, 3 Jun (XINHUA) -- In recent years the number of Overseas Chinese residing abroad and foreign youths of Chinese descent who demanded to return to the country to study Chinese language and culture has been increasing with each passing day. To satisfy their demands and aspirations, the State Council's Overseas Chinese Affairs Office recently held a forum on the educational work of Overseas Chinese continuation schools, exclusively discussing the educational orientation of these schools, improvement of their teaching quality, betterment of their conditions for carrying out educational tasks and other issues.

Attending the forum were responsible persons from Overseas Chinese continuation schools in Beijing, Guangdong and Fujian, cadres of Overseas Chinese education departments and representatives of the departments concerned.

The participants maintained that it is mandatory for Overseas Chinese continuation schools to implement the fundamental principle of "protecting and developing the warm love of Overseas Chinese for their country and their homeland." The forum decided that to propagate the Chinese nation's language and culture among Overseas Chinese residing abroad and foreign youths of Chinese descent shall be the orientation and major task for Overseas Chinese continuation schools.

Lin Xiude and Peng Guanghan, deputy directors of the State Council's Overseas Chinese Affairs Office, were present at the forum.

LEADERS SEND WREATHS TO MEMORIAL MEETING

OW261422 Beijing XINHUA Domestic Service in Chinese 1220 GMT 26 May 82

[Excerpt] Beijing, 26 May (XINHUA) -- A memorial meeting was held for Yue Meizhong, China's noted practitioner of traditional Chinese medicine, at Beijing's Babaoshan revolutionary cemetery auditorium on the afternoon of 26 May. Professor Yue Meizhong died in Beijing on 12 May 1982 at the age of 83.

Party and state leaders Ye Jianying, Peng Zhen, Xi Zhongxun, Qian Xinzhong and responsible persons of concerned departments have sent wreaths. Yang Shangkun, vice chairman of the NPC Standing Committee; Liu Lantao, vice chairman of the CPPCC National Committee; as well as personages of medical circles -- a total of 400 people -- attended the meeting. Cui Yueli, minister of public health, presided over the meeting. Ji Zhongpu, president of the Academy of Traditional Chinese Medicine, delivered a eulogy.

AFP CITES SPOKESMAN ON U.S. ARMS TO TAIWAN

OW070456 Hong Kong AFP in English 0434 GMT 7 Jun 82

[Excerpt] Beijing, 7 Jun (AFP) -- The Chinese Government today reaffirmed its opposition to any sale of United States arms to Taiwan.

Asked about U.S. Senator Barry Goldwater's comments last week in Taipei, a Foreign Ministry spokesman repeated Beijing's position of principle on the question of arms sales. "We have time and again stated that we are firmly opposed to any arms sales to Taiwan by the United States," the spokesman said.

RENMIN RIBAO ON DEPENDENTS OF TAIWAN PERSONNEL

HK070723 Beijing RENMIN RIBAO in Chinese 4 Jun 82 p 3

[Commentary by Mu Yang [4476 2254]: "Who Has Supported Them?"]

[Text] After reading the selected manuscripts of "The Life of the Dependents of the Personnel Who Have Gone to Taiwan," people are very naturally recalling the following event in history: In 1949, when the Kuomintang authorities fled hastily from the mainland, they transported to Taiwan under duress some 2 million military, political and educational personnel of mainland origin, leaving behind several times that number of relatives. Of these, the old, the weak, women and children accounted for a considerable proportion. Viewed from the general situation in the old society, it was very difficult for these people to subsist and some of them might even have met with misfortune. Therefore, for a long time in the past, questions such as "Are they still alive?" "How do they manage to live?" and "How do they fare now?" have become a matter of the greatest concern to the personnel who have gone to Taiwan. Facts speak louder than words. Newsletters such as "Since Daddy Has Gone to Taiwan" and "Her Only Son Is in Taiwan" have supplied the best answers to their questions.

From these reports it will not be difficult for people to note that it is precisely the CCP and the people's government as well as the broad masses of people living under the socialist system that have supported those "orphans," "widows" and old people who have been left behind on the mainland and that have brought up their children into people that are useful to the motherland and the Chinese nation. They are living a pretty good life. I do not think anyone will remain untouched after they have read these reports.

The Kuomintang authorities in Taiwan, however, invariably fly in the face of historical facts and refuse to see the development of the situation. Up to now they still oppose the CCP, the people's government and the people on the mainland and stubbornly refuse to achieve peaceful reunification with the mainland. They have even rejected the proposal of the CCP on the "establishment of transport, trade and postal relations" aimed at creating conditions for the realization of this objective. As far as the numerous personnel who have gone to Taiwan and their family members are concerned, is this not a policy decision that is as unamenable to reason and as unpopular as the one that forced them to sever themselves from their own flesh and blood in 1949!

FURTHER ON VISIT OF U.S. SENATOR GOLDWATER

Visit to Cultural Sites

OW040323 Taipei CNA in English 0234 GMT 4 Jun 82

[Text] Taipei, June 4 (CNA) -- Senator Barry Goldwater said Thursday that he would not visit mainland China even if the Peiping regime invites him to go there. The U.S. senator said that he sees no point in holding talks with the Chinese Communists because communism is against his belief and principles. Goldwater and his party spent Thursday in leisure, visiting the National Palace Museum, Chung Cheng Memorial Hall, and other cultural complexes. In the evening, he attended a dinner given in his honor by National Defense Minister Adm. **Sung Chang-chih**.

Meanwhile, many people have sent letters and gifts to Goldwater expressing their respect and appreciation to him for his moral courage and support of the Republic of China.

Predeparture Remarks Cited

OW041419 Taipei CNA in English 1400 GMT 4 Jun 82

[Text] Taipei, 4 Jun (CNA) -- U.S. Senator Barry Goldwater Friday reiterated that the United States Government has no intention to amend the "Taiwan Relations Act."

At a pre-departure news conference Goldwater stressed the act is a law passed by a majority at the U.S. Senate. He had not heard any word in his country about amendment or repeal of the act before he came here, he added. The senator told reporters that he does not believe in communism and is disgusted with their behavior, including what the Chinese Communists have done or are attempting to do to the Republic of China. He will not go to the mainland to visit and hold discussions, he stressed.

On U.S. weaponry sales to the Republic of China, the senator said the matter was not mentioned in President Reagan's message to President Chiang Ching-kuo. However, President Reagan has confirmed repeatedly that the U.S. Government will continue to sell arms to the free Chinese Government, Goldwater said, giving the 60-million-U.S.-dollars sale recently submitted by the U.S. President to the Senate as an example. But the United States Government should sell more weapons to the Republic of China, the senator urged.

Goldwater and his wife arrived in Taipei last Saturday for a seven-day visit. During the past several days, he was received by President Chiang and met Premier Sun Yun-hsuan and other Chinese officials. He was pleased to see that President Chiang is in good health. Premier Sun and Mrs Sun said a good-bye to the Goldwaters at the Grand Hotel before they left for Chung Cheng International Airport in the company of Vice Foreign Minister Fredrick F. Chien. At the airport, the visitors were seen off by Defense Minister Sung Chang-chih and Mrs Sung and many Chinese friends.

Further on Remarks to Press

OW051247 Taipei International Service in English 0100 GMT 5 Jun 82

[Text] U.S. Senator Barry Goldwater said today in Taipei that the U.S. Government would have to make a decision on the proposed sale of F-5G high performance jet fighters to the Republic of China by the end of this month. However, when asked by reporters, a spokesman for the Republic of China's Ministry of National Defense declined to make any comment concerning the proposed U.S. sale. According to a CNA report, State Department spokesman Alan Romberg, at a regular briefing today, said that the U.S. policy toward the Republic of China and the sales of military weapons remains unchanged.

Speaking at an airport news conference shortly before his departure, Goldwater said he would urge President Reagan to get rid of certain State Department officials who, he says, are giving Reagan and Taiwan a bad time. Goldwater did not mention the names of those he would like to see fired, yet he said he has been battling with the department for more than 30 years. He said President Reagan should have cleaned the house of the State Department long ago. At the Grand Hotel press conference, Goldwater announced his plan to meet with Reagan as soon as the President returns from the present European trip, and he also plans to meet with Vice President Bush and Secretary of State Haig. The senator, who has been in the Republic of China for a 6-day visit, said that in view of an increasing trade between the United States and the Republic of China, rather than setting up additional Republic of China offices in the United States, the idea would be an exchange of ambassadors or official representatives of the two countries.

In response to the recent invitation from Teng Hsiao-ping asking Goldwater to visit Communist China, Goldwater responded that he is strongly against communism and it would be entirely against his principles to go to Peking [as heard] and talk to the communist leaders. He did say, however, that he was interested in making a visit to Chungking and Kunming with his wife in the future. Goldwater also repeated that he had told the reporters in Taipei that he thinks there is nobody in Washington suggesting abrogation of the Taiwan Relations Act. [Begin Goldwater recording] And I have heard no word in Washington about anybody wanting to change the Taiwan act. Of course, every time somebody goes to visit mainland China, that is about all they hear from Mr Teng is: Amend the act, repeal the act, make it impossible to sell arms to Taiwan, and then we can move in. But we say no. Now I cannot speak for the extent of 5 years, 10 years, 40 years from now, but I don't think that the attitude in my country would support any repeal or altering of that act. [end recording]

Senator Goldwater and his wife concluded their visit to the Republic of China at 10:50 a.m., when they boarded a China airline flight for the United States. Among the well-wishers at the airport were Republic of China's Vice Foreign Minister Frederick Chien and his wife and the minister of national defense, Sung Chang-chih, and his wife. The Legislative Yuan of the Republic of China decided today to enter Senator Goldwater's speech made at the American Chamber of Commerce luncheon meeting last Wednesday into the national archives of the Legislative Yuan.

TAIPEI COMMENTS ON TAIWAN RELATIONS ACT

OW061101 Taipei International Service in English 0100 GMT 6 Jun 82

[Station commentary]

[Text] Howard Baker, the majority leader of the U.S. Senate, says he is going home from Peking [as heard] to seek an amendment of the Taiwan Relations Act. The Taiwan Relations Act is the U.S. law which provides for arms sales to the Republic of China and also implies that the Americans will give assistance in the event of aggression against Taiwan.

Presumably, any such amendment would terminate the arms sales provisions and the promises to intervene if the communists attempt to cross the Taiwan Strait. The Chinese Communists might as well be proposing the amendment themselves. They have been demanding that the arms sales end either immediately or according to a time schedule stipulated by the Americans.

As for armed action against Taiwan, the communists say that is their business. According to the Japanese, U.S. Vice President George Bush warned Peking not to use force in attempting to gain sovereignty over Taiwan. The Chinese Communists replied that the use of force is a reflection of their plan toward sovereignty.

The longer the United States talks to Red China about Taiwan, the closer things come to the Chinese Communists' truth. Senator Baker, an honorable man who is always considered an intelligent as well as an honest one, is now prepared to do the Chinese Communists' bidding on the Taiwan Relations Act which he supported.

President Reagan has been a strong batter for the Taiwan Relations Act. He has said that he upholds its terms. Will he sign an amendment changing those terms to the point of leaving the Republic of China without a source for defensive arms? That seems unlikely. However, so much has changed in the U.S. relationship with the Republic of China that it is impossible to be sure. Can the Congress be persuaded to vote for such an amendment? No recent polls have been made of Congress on the China problem. Therefore, it is hard to say. How much of an impression have the Chinese Communists made with their threat to break or delimit relations with the United States? How many congressmen think this is important? How many of them really believe that the Chinese Communists would be a useful and reliable ally against the Soviet Union? It is unlikely that Congress will do anything this year. A congressional election is scheduled for November. All of the members of the House of Representatives and a third of the members of the Senate will be involved. It is already June. Congressmen seeking reelection are not going to become involved in the controversy over the Taiwan Relations Act and the sale of arms to defend the people of Taiwan.

The Republic of China's deep concern involves U.S. morality. When President Carter broke relations with the Republic of China and recognized the Chinese Communists, Americans were aware of the necessity to protect Taiwan against communist aggression. The U.S. Government emphasized its policy of unification only through peaceful means. Congress thought pious expressions were not enough and went on to write the Taiwan Relations Act. Although the law went farther than President Carter wished, he signed it anyway. He said later in Peking that the United States never promised the Chinese Communists that it would stop selling arms to the Republic of China. In the last 13 years, the United States has made many decisions with adverse affects on the Republic of China and Taiwan. However, the Americans have always said they will never desert the Republic of China, they will never stand by and see the people of Taiwan communized against their will. Many people of Taiwan still believe in these assurances; some do not. Some say that the Republic of China can only depend on itself and must develop its own weapons to assure survival against a communist attack. This would be a good time for the President to speak out and clarify the U.S. position. If he still stands on his promises to the Republic of China, the Taiwan Relations Act is a safe reliance.

CHENG CHIEN-JEN NAMED TO FOREIGN MINISTRY

OW061159 Taipei CHUNG YANG JIH PAO in Chinese 2 Jun 82 p 3

[Excerpts] By a decree released on 1 June, the Ministry of Foreign Affairs appointed Cheng Chien-jen [4453 1696 0086], director of the Department of North American Affairs of the Ministry of Foreign Affairs, as an adviser to the Coordination Council for North American Affairs [CCNAA] in the United States.

The Ministry of Foreign Affairs has also decided that Cheng's vacancy at the Department of North American Affairs will be filled by Yen Hsiao-chang, now chief secretary of the CCNAA.

DELEGATION TO SEEK HONG KONG INVESTMENTS

OW050614 Taipei CNA in English 0312 GMT 5 Jun 82

[Text] Taipei, 5 Jun (CNA) -- The government is stepping up its efforts to attract Hong Kong companies to invest in Taiwan. For this purpose, a trade mission consisting of officials from the Investment Commission and of specialists from the Industrial Technology Research Institute will visit electronics firms in Hong Kong in September. They will discuss with them opportunities here for technical cooperation and joint ventures, as well as the possibility of supplying them with parts made here. The purchase of parts from the Hong Kong firms will also be on the agenda. Vice Economic Affairs Minister M.T. Wu said that the local electronics industry is the area which is most likely to attract more investment from Hong Kong. In the textile dyeing and finished field, the Ministry of Economic Affairs has been in touch with a West German company in this line. It has asked the firm to make its technology and machinery available for a possible joint venture with local firms. The dyeing and finishing of textile products is known as one of the weak spots of the industry both here and in Hong Kong. Firms here have to ship their high-quality products to Japan for finishing.

ZHAO ZIYANG SPEAKS ON SPECIAL ZONES, HONG KONG

HK050236 Hong Kong WEN WEI PO in Chinese 5 Jun 82 p 1

[Dispatch from WEN WEI PO Japan correspondent Chi Hsi-ching: "Zhao Ziyang Speaks on Development of Special Zones, Comments on Relevant Hong Kong and Macao Issues"]

[Text] Tokyo, 4 Jun -- Premier Zhao Ziyang was interviewed at the request of WEN WEI PO and TA KUNG PAO correspondents on the train on his way to Kyoto following his visit to Nara. Zhao Ziyang spoke on China's policy of opening up to the world, the special economic zones, and issues of concern to Hong Kong and Macao compatriots.

Question: Last year you visited the special economic zones. While the motherland is stressing persistent practice of the policy of opening up to the world, what new views do you have on the Shenzhen and Zhuhai special economic zones?

Answer: There has been no change in our policy of opening up to the outside world, and we must continue to operate the special zones. The special zones represent an experiment, as far as China is concerned. There will not necessarily be any increase in the number of special zones in the near future, but we must continue to run the Shenzhen, Zhuhai, Shantou and Xiamen zones that have already been opened up. As for special zone legislation, this will be gradually perfected. Of course, in practice, we have found that certain laws need to be supplemented. Certain people outside China hold that the special zone laws are too simple. No doubt the solution of this problem will involve going through a process. This is because the special zones are a new topic. Since China has decided on the guiding principle of running special zones, and this is an unswerving principle, it is certain that we will have to advance from imperfection to perfection. We still need to rely on practice to decide what laws to make and what things to perfect. At present, China is launching a drive against crime in the economic field. There is no relation at all between this and the policy of opening up to the world. Our main goal in this drive is to solve the problem of honesty. Precisely, we need to open up to the world and uphold the principle of running special zones, and thus we have to guard against certain possible phenomena of corruption. Far from there being any contradiction between this and the policy of opening up to the world, this drive can enable us to practice in a healthy way the policy of opening up to the world and the principle of running special zones. There would be no need to do this if we practiced a closed-door policy. It is wrong to think that we are "drawing back" by striking at economic crime. Any economically successful country in the world takes measures to prevent the emergence of decay. Acting in this way does not mean organizing a campaign or restoring the "leftist" things of the past. Our methods in this respect are aimed at Chinese people in China. As for foreign businessmen who follow international conventions, such as practicing the sales commission method, there are no problems for us to make a fuss over. However, no individual in China can accept a sales commission. This is the Chinese people's own law.

Question: You stressed on many occasions in Tokyo that China must prepare in the 1980's for vigorous economic development in the 1990's. What can the Hong Kong and Macao compatriots do in this respect?

Answer: During most of the 1980's, that is, throughout the entire period of the Sixth 5-Year Plan and part of the Seventh 5-Year Plan, we want to achieve two things. First, we must tackle the question of reforming economic management, and rationalize economic management. Second, in material terms, we must carry out technical reforms in the existing enterprises and also promote the so-called infrastructure, that is, energy, communications, telecommunications, urban construction, and other areas. A country must have a relatively good infrastructure in order to truly develop its economy, and this is precisely China's weak link. Hong Kong is a trade and finance center, and is also the bridge by which we import advanced technology. I hold that there are many things the Hong Kong and Macao compatriots can do, whether in the technical reform of our existing enterprises or in building China's infrastructure, either through cooperation or through direct investment. Foreign and Overseas Chinese capital in Hong Kong can also enter China to take part in exploiting our resources, energy and so on. China is politically stable, and we guarantee the necessary profit to investors.

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